

9/25/78 [2]

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WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
Memo	Harold Brown to Pres. Carter, w/attachments 4 pp., re:Defense Summary	9/22/78	A
Cabinet Summaries	Andrew Young to Pres. Carter, 1 pg., re:UN activities	9/15/78 9/22/78	A
Cabinet Summaries	Califano to Pres. Carter, 3 pp., re:Personnel changes	9/22/78	C

FILE LOCATION

Carter Presidential Papers-Staff Offices, Office of Staff Sec.-Presidential
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RESTRICTION CODES

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THE WHITE HOUSE
WASHINGTON

9/25/78

Tim Kraft

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: Frank Moore

THE WHITE HOUSE
WASHINGTON

9/25/78

rick--

although president is
sending note to tim....
this was part of a
joint memo from frank moore
and (per haps tim)....
cc frank?

-- susan

cc TK + FM

SENATE RACES

Tim -
Spec effort
for me
indicated
I

ALABAMA:

JAMES ALLEN (D) RETIRING

Congressman Walter Flowers and former State Court Justice Howell Heflin will face each other in the September 26 run-off. The winner will face Jim Martin in the general election. Heflin is the favorite for the run-off and the general.

JOHN SPARKMAN (D) RETIRING

The run-off between Mrs. Allen and State Senator Don Stewart is a toss-up. The Democrat will be favored heavily in the general.

ALASKA:

TED STEVENS (R)

Stevens is safe.

ARKANSAS:

KANEASTER HODGES (D)

Governor David Pryor will easily capture this seat.

COLORADO:

FLOYD HASKELL (D)

Haskell is a slight favorite over Bill Armstrong.

DELAWARE:

JOE BIDEN (D)

Senator Biden is safe.

GEORGIA:

SAM NUNN (D)

Senator Nunn is safe.

IDAHO:

JAMES McCLURE (R)

Senator McClure is safe.

ILLINOIS:

CHARLES PERCY (R)

Alex Seith is trailing Senator Percy by about 10 points.

IOWA:

DICK CLARK (D) Senator Clark remains ahead of former Lt. Governor Roger Jepson. Clark appears to be strengthening his hold.

KANSAS:

JAMES PEARSON (R) RETIRING

Dr. Bill Roy is now seen as trailing Nancy Landon Kassenbaum by several points. This is going to be a very tough race.

Let's help

KENTUCKY:

DEE HUDDLESTON (D)

Senator Huddleston is safe.

LOUISIANA:

J. BENNETT JOHNSTON (D)

Senator Johnston was re-elected in the September 16th open primary.

MAINE:

BILL HATHAWAY (D)

Senator Hathaway has pulled even with Congressman Bill Cohen. The undecided vote seems to be moving in Hathaway's direction.

MASSACHUSETTS:

ED BROOKE (D)

Paul Tsongas defeated Paul Guzzi in last Tuesday's primary by four points. Brooke survived his primary with 53%. He is extremely vulnerable at this point. Tsongas ran a fine come from behind primary campaign.

MICHIGAN:

ROBERT GRIFFIN (R)

Carl Levin is even with Robert Griffin at this point.

MINNESOTA:

WENDELL ANDERSON (D)

Wendell Anderson remains an underdog.

MURIEL HUMPHREY (D)

Bob Short will have a difficult race against David Durenberger. It is unclear as to what the Fraser people will do at this point.

MISSISSIPPI:

JAMES EASTLAND (D)

Maurice Dantin is in a very close race with Congressman Thad Cochran. The Black Independent candidate, Charles Evers, does not look as strong as expected. This is good news for Dantin.

MONTANA:

PAUL HATFIELD (D)

Max Baucus is the clear favorite

NEBRASKA :

Carl NEBRASKA (R)

Governor James Exon is the overwhelming favorite.

NEW HAMPSHIRE:

THOMAS MCINTYRE (D)

Senator McIntyre is the favorite, but is vulnerable.

NEW JERSEY:

CLIFFORD CASE (R)

Bill Bradley continues to be very strong.

NEW MEXICO:

PETE DOMENICI (R)

Toney Anaya is looking like less of a possible threat to Senator Pete Domenici.

NORTH CAROLINA:

JESSE HELMS (R)

John Ingram is mounting a serious challenge to Senator Jesse Helms. Although Ingram still trails, he is moving up well on Helms.

OKLAHOMA:

DEWEY BARTLETT (R)

Gov. David Boren should take this seat.

OREGON:

MARK HATFIELD (R)

Senator Hatfield is safe.

RHODE ISLAND:

CLAIBORNE PELL (D)

Senator Pell is safe.

SOUTH CAROLINA:

STROM THURMOND (R)

Pug Ravenal continues to trail Senator Thurmond.

SOUTH DAKOTA:

JAMES ABOUREZK (D)

Congressman Larry Pressler will probably take this seat.

TENNESSEE:

HOWARD BAKER (R)

Jane Eskind is running a strong campaign against Senator Baker. Recent polls show him somewhat vulnerable. He will probably retain his seat in a tougher than expected fight.

TEXAS:

JOHN TOWER (R)

John Tower and Bob Krueger are in a dead even race.

VIRGINIA:

WILLIAM SCOTT (R)

Andrew Miller should defeat John Warner.

WEST VIRGINIA:

JENNINGS RANDOLPH (D)

Senator Randolph is trailing former Governor Arch Moore.

WYOMING:

CLIFFORD HANSEN (R)

Al Simpson (former State Republican State Representative) is probable winner.

Let's
help

Let's
help

GUBERNATORIAL RACES

ALABAMA	Governor Wallace(D) is retiring. Runoff between Fobs James, former Auburn football player and recent democrat, and Atty. Gen. Bill Baxley is 9-22-78. The democrat should win easily.
ALASKA	Governor Hammond(R) is running again and will probably beat state senator Chancy Croft(D).
ARIZONA	Governor Babbitt(D) is running and will win.
CALIFORNIA	Governor Brown (D) should win his race against Atty. Gen. Evelle Younger(r).
COLORADO	Governor Lamm(D) is running again and could have a close race against state senator Ted Strickland(R).
CONNECTICUT	Governor Grasso(D) is running again and faces Cong. Ron Sarasin(R) in a close race.
FLORIDA	Governor Askew is retiring. State senator Bob Graham and Atty. Gen. Robert Shevin compete for the democratic nomination in the runoff on 10-10-78. Either will face a very tough race against Jack Eckherd(R).
GEORGIA	Governor Busbee(D) is running again and will win.
HAWAII	Governor Ariyoshi is running again and faces Honolulu Mayor Frank Fasi (D) in the primary on 10-7-78. Democrats will probably keep this seat.
IDAHO	Governor Evans is running again and appears safe against Speaker Alan Larsen(R).
ILLINOIS	Governor Thompson(R) is running again. Mike Bakalis(D) could possibly make this a close race.
IOWA	Governor Ray(R) is running again and will probably have no trouble against state representative Jerry Fitzgerald(D).
KANSAS	Governor Bennett(R) is running again and has a very close race with House Speaker John Carlin(D).

MAINE Governor Longley (I) is retiring. Atty. Gen. Joe Brennan is the democratic candidate. He has opposition from House Minority Leader Linwood Palmer (R) and conservative anti-tax candidate Buddy Franklin (I)/ Brennan looks to be the winner now.

MARYLAND Governor Lee (D) lost in the primary. Former state Transportation Director Harry Hughes is the candidate against former republican U.S. Senator Glenn Beall.

MASSACHUSETTS Governor Dukakis (D) lost in the primary to Ed King. former executive director of the Mass. Port Authority. King faces state representative Francis Hatch (R).

MICHIGAN Governor Milliken (R) is running again and will most likely win over state senator Bill Fitzgerald (D), although the race is tightening.

MINNESOTA Governor Perpich (D) is running again and will have a close race against Cong. Albert Quie (R).

NEBRASKA Governor Exon (D) is running for the senate. Lt. Gov. Gerald Whelan (D) will probably lose to Cong. Charles Thone (R).

NEVADA Governor O'Callaghan (D) is retiring. Lt. Gov. Robert Rose (D) has a very close race against Atty. Gen. Robert List (R).

NEW HAMPSHIRE Governor Thomson is running again and will most likely win over democratic candidate Hugh Gallen, a former state representative.

NEW MEXICO Governor Apodaca (D) is retiring. Former Governor Bruce King has a close race with the republican candidate, former state senator Joe Skeen.

NEW YORK Governor Carey (D) is running again. His republican opponent is Assembly Minority Leader Perry Duryea. This is a close race.

OHIO Governor Rhodes is running again. Dick Celeste (D) is running neck and neck with him.

OKLAHOMA Governor Boren (D) is running for the Senate. Lt. Gov. George Nigh (D) is expected to have a close race with state representative Ron Shotts (R).

OREGON Governor Straub (D) is running again. He is behind in his race against Senate Minority Leader Victor Atiyeh (R).

PENNSYLVANIA Governor Shapp (D) is retiring. Pete Flaherty (D) is well ahead of former Asst. Atty. General Richard Thornburgh (R).

RHODE ISLAND Governor Garrahy (D) is running again. He has opposition from Joe Doorley, former mayor of Providence running as an Independent, as well as from Lincoln Almond, former Republican U.S. Atty. in Rhode Island. Garrahy should win.

SOUTH CAROLINA Governor Edwards (R) is retiring. Dick Riley will win this for the democrats.

SOUTH DAKOTA Governor Kneip is in Singapore. The democratic candidate, state senator Roger McKellips, will likely lose against Atty. Gen. William Janklow, the republican candidate.

TENNESSEE Governor Blanton (D) lost in the primary to banker Jake Butcher. Butcher will have a close race with republican lawyer Lamar Alexander. Butcher is behind.

TEXAS Governor Briscoe (D) lost in the primary to Atty. Gen. John Hill, who leads republican Bill Clements by a wide margin at this point.

VERMONT Governor Snelling (R) is running again and will probably beat state representative Edwin Granai (D).

WISCONSIN Governor Schreiber (D) is running again and faces a close race against Lee Dreyfuss, chancellor of the University of Wisconsin at Stevens Point who upset Cong. Robert Kasten (R) for the republican nomination.

WYOMING Governor Herschler (D) is running again and will probably win.

THE WHITE HOUSE

WASHINGTON

September 22, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE *FM/BR*
TIM KRAFT *TK*

RE: 1978 ELECTIONS

Attached is a summary of the number of appearances made by Administration officials on behalf of Democratic candidates. The numbers indicate how many appearances have been made to Labor Day and how many appearances are projected for the period from Labor Day through the elections. You will note that we are projecting more than 300 appearances for the last sixty days of the campaign. This is the result of planning meetings between our staffs and the Family, Cabinet and Senior Staff schedulers. Cooperation has been good thus far.

Our staffs have begun meeting each night with representatives from Jack Watson's staff and the DNC. Weekly meetings are being held with the Family schedulers. This enables us to coordinate effectively the schedules of each family member, avoiding appearances by family members too close together in the same state. The Vice President, beginning October 13, will travel four days per week appearing on behalf of three candidates each day through the election. The First Lady, in conjunction with our staffs, has developed a good political schedule. She will campaign on behalf of over 30 candidates in 15 states. Mrs. Mondale's schedule is also being coordinated with our staffs. She is scheduled to campaign in half a dozen states at this point with several other days yet to be scheduled for campaigning. Miss Lillian, her schedule being coordinated by Richard Harden, will make appearances in 14 states on behalf of at least 20 gubernatorial and congressional candidates. Richard tells us that she is being received extraordinarily well and seems to be enjoying the campaigning. Chip, his schedule being coordinated jointly by the White House and the DNC, will travel constantly from now through the election in 20 states.

Our success rate for meeting candidate requests is quite high. The overwhelming majority of Administration appearances have been made in those congressional districts, gubernatorial and senate races we have judged to be marginal. We have made at least one major appearance in each marginal race, multiple

appearances in most marginal races and in some cases have encountered candidates whom we have saturated to the point where they are unable to utilize additional offers.

There has been much discussion recently about the problem of low voter turnout in the mid-term elections. We have met with Dan Horgan, Gerry Rafshoon, Mike Berman and Bill Wester about a get-out-the-vote effort. A theme and the best way in which to use your time in a national effort have been discussed. In the majority of primaries this year, the voter turnout has been low. It is the general feeling that this year's mid-term turnout may fall below the 36.1% of November of 1974. Even where there have been hotly contested primaries (eg. Maine), there has been a significant drop in turnout. A low voter turnout will make a difference in a significant number of races. We see this as one potential factor that could lead to big Democratic loses this fall. We will have a memo on this subject for you by the middle of next week.

Another factor we are concerned about is the conservative voter backlash that has been described as "anti-tax" or "anti-government" sentiment. The defeats of Senator Case, Congressman Fraser and Governor Dukakis and the surprise victory of Harry Hughes could be an indication of other such major upsets to come this fall. We need to pay close attention to this trend.

cc: The Vice President
Hamilton Jordan
Jody Powell
Gerry Rafshoon

Attachments:

1. Box score of appearances
2. Appearances by Cabinet and Family
3. Examples of candidates we have helped a lot
4. Brief analysis of Senate and Governors Races

ADMINISTRATION APPEARANCES

Appearances as of our last report to you (July 21)	=	490
Appearances through Labor Day	=	562
Appearances projected from Labor Day to elections	=	327
Total appearances completed and projected	=	889*

*This figure for the most part does not include appearances during the last week of the campaign in November. We can safely assume the final figure will be well over a thousand.

Ronna Freiberg, Tom Donilon, Scott Burnett and Cynthia Wilkes Smith deserve most of the credit for the enormous success of this effort so far.

Projected Appearances Labor Day to 11/7

Vice President	40
First Lady	27
Mrs. Mondale	10
Miss Lillian	20
Chip	50

Blumenthal	5
Bergland	13
Kreps	7
Schlesinger	
Califano	19
Harris	12
Andrus	16
Marshall	30
Adams	15
Cleland	5
Strauss	12

EXAMPLES OF SENATE RACES

Jennings Randolph (Incumbent)

1/9-10/78	Cleland	VA Hospital Tour; Marshall U., School of Medicine in Huntington, West Virginia
2/12/78	Juanita Kreps	Speech to West Virginia Planning Association Charleston, West Virginia
5/4/78	Costle (EPA)	Official Visit
5/19/78	Schultze	Financial Execs. Institute
5/21/78	Califano	Commencement Address, Davis and Elkins College Charlesburg, W. VA
5/26/78	President attended fundraiser	Charlestown; also attended coal forum; accompanied President on flight to D.C. from Charlestown.
6/10/78	Rupert Cutler	Beckley, W. VA - ground breaking ceremony for Science Ed Agency's Social and Water Research Laboratory
6/17/78	Marshall	W. VA University Reception in Morgantown; Hospital Dedication; Speech TV Press Assoc. in Wheeling.
6/23/78	Schlesinger	speech
8/19/78	Vice President	Jefferson-Jackson Dinner, W. VA
7/4/78	Cleland	Special July 4 celebration
9/13/78	Strauss	Dinner, Tommy Corcoran's home

8/19/78	Jody	Fundraiser
9/30/78	Griffin Bell	Will speak to the 100th anniversary of the West Virginia Law School
10/7/78	President	Elkins Parade (Tentative)
<u>Pug Ravenal</u> (Non-Incumbent)		
6/78	Jody	Fundraiser in Boston
7/10/78	Jack Watson	Toured rural health facilities Campaigning
7/11/78	Miss Lillian	Campaigning--press conference
8/4/78	Hamilton	Two fundraisers in South Carolina
9/20/78	Hamilton and Eizenstat	Fundraiser in New York
9/27/78	The President	

We will have representatives at their fundraisers in Atlanta (9/30) and Chicago (10/5).

EXAMPLES OF HOUSE RACES

MIKE BLOUIN (Incumbent - 2nd - Iowa)

11/10/77	Bergland	Speech
3/29/78	Vice President	Fundraiser, Dubuque
3/30/78	McIntyre	Small Business Conference, Cedar Rapids
5/13/78	E. Peterson	Speech
6/28/78	Embry (HUD)	Tour of three cities
7/78	Carol Tucker Foreman	
6/29/78	Ray Marshall	Speech
8/21-23/78	Team tour of District	
9/29/78	First Lady campaigning	
?	Vice President	

BOB SOGGE (Non-Incumbent - 8th - California)

5/6/78	Tim Kraft	Fundraiser
7/27/78	Bobby Smith	All day agricultural events
9/15/78	Bergland	Campaign luncheon

He will get the Vice President in October as well as Brock Adams.

EXAMPLES OF GOVERNORS RACES

MIKE BAKALIS (Non-Incumbent)

5/5/78	First Lady	Photo session, Chicago
5/26/78	President	Attended fundraiser in Springfield
9/13/78	Vice President	Attended Chicago fundraiser
9/25/78	Bergland	Attended fundraiser
10/17/78	Ray Marshall	
10/9/78	First Lady	Will be in Chicago

We are having Lipshutz do a Jewish event sometime in October.

ELLA GRASSO (Incumbent)

9/19/78	Califano	Campaigning
9/29/78	Vice President	State Party event
9/21/78	Esther Peterson	Campaigning
9/9/78	Miss Lillian	Campaigning
11/2/78	First Lady	Tentative

2:00 PM

THE WHITE HOUSE

WASHINGTON

September 22, 1978

MEETING WITH REP. JOHN CONYERS (D-MICHIGAN-1)

Monday, September 25, 1978

2:00 p.m. (15 minutes)

The Oval Office

From: Frank Moore *FM/BR*

I. PURPOSE

To discuss Rep. Conyers' ideas on tactics for voter turnout in the black community.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

Background: Rep. Conyers is #9 on the Government Operations Committee and is on the Manpower & Housing and the Legislation & National Security Subcommittees. He is #5 on the Judiciary Committee and is Chairman of the Crime Subcommittee. He has an 87.8% support rating.

Rep. Conyers believes that incentives for voter turnout in the black community include 1) passage of S. 50 (Humphrey-Hawkins) and the Equal Rights Amendment, 2) a workable anti-inflation strategy, and 3) elimination of the unequal and uneven distribution of justice.

Concerning S. 50 and the ERA extension, the Senate Policy Committee asked Majority Leader Byrd to schedule legislation as follows: 1. Energy Legislation, 2. Tax Legislation, 3. Bills such as Humphrey-Hawkins and the ERA extension. There is a 50% chance that the Senate will have time to consider bills other than energy and tax legislation.

Conyers believes that we should focus our anti-inflation strategy on the "necessities of life," which includes health, housing, energy and food in order to control inflation and reduce the cost of living.

Conyers will also wish to discuss the Federal government's role in reshaping federal, state and local criminal justice systems as a means of eliminating the unequal and uneven distribution of justice.

Participants: The President, Rep. John Conyers, Frank Moore, Valerie Pinson.

Press Plan: White House photographer only.

III. TALKING POINT

Should Conyers pressure you to talk to Byrd about scheduling S. 50 and the Equal Rights Amendment extension, you should explain that the Policy Committee has given Byrd a directive on scheduling legislation: only after the Senate has completed consideration of the energy and tax legislation, can it consider other bills. In order to get the bills scheduled, we must all work hard to expedite the passage of acceptable energy and tax bills.

Note: In August, the Michigan Democratic party held a strategy session during which someone criticized the President. Conyers instantly defended the President and continued to praise him with glowing remarks. We requested this meeting to show our appreciation of his support and so that Conyers can discuss matters of importance to him.

12:00 noon

THE WHITE HOUSE
WASHINGTON

MR. PRESIDENT--

ATTACHED IS THE SCRIPT FOR THE MATERNAL AND
INFANT MALNUTRITION FILM WHICH WILL BE
TAPED TODAY AT 12:00 IN THE DIPLOMATIC
RECEPTION ROOM.

THE SCRIPT WILL ALSO BE ON THE TELEPROMPTER.

JERRY RAFSHOON

(PRESIDENT CARTER SPEAKING IN RESPONSE TO FILM
FEATURING PATRICIA NEAL)

YES, PATRICIA, WE DO CARE...AND WE'RE DOING
SOMETHING ABOUT IT.

IT'S A SAD FACT THAT CHILDREN ARE GOING HUNGRY
AROUND THE WORLD...AND THERE ARE HUNDREDS OF THOUSANDS
OF HUNGRY CHILDREN RIGHT HERE AT HOME.

MANY OF THEM ARE DEPRIVED OF THEIR GOD-GIVEN
RIGHTS EVEN BEFORE THEY ARE BORN.

MALNUTRITION DURING PREGNANCY, AND DURING THE
FIRST TWO YEARS OF LIFE, MAY SERIOUSLY HURT A CHILD'S
BODY, MIND AND ABILITY TO LEARN.

TO AN UNDERPRIVILEGED CHILD, MALNUTRITION IS A
TRAGEDY...A TRAGEDY THAT CAN LAST FOR LIFE. IT IS ALSO
A LOSS TO OUR COUNTRY, SOCIALLY AND ECONOMICALLY.

PRODUCTIVE PEOPLE ARE AMERICA'S GREATEST NATURAL
RESOURCE. AND, IF WE ARE TO CONTINUE GROWING IN STRENGTH
AND LEADERSHIP AS A NATION...WE NEED HEALTHY, SELF
SUFFICIENT PEOPLE.

WE CANNOT AFFORD TO DENY ANY CHILD ^{a good} ~~HIS OR HER~~
CHANCE IN LIFE...BECAUSE THE MOST IMPORTANT OF ALL
HUMAN RIGHTS IS THE RIGHT TO A HEALTHY START.

FOR YEARS, I HAVE WORKED TO SEE THAT EVERY CHILD
HAS ENOUGH TO EAT. AND I WILL CONTINUE TO SUPPORT
PROGRAMS TO FEED THE LESS FORTUNATE.

IN A COUNTRY AS COMPASSIONATE AND AS PRODUCTIVE
AS OURS, EVERYTHING IS POSSIBLE WHEN PEOPLE CARE ENOUGH...
ABOUT PEOPLE.

#####

12:10 PM

THE WHITE HOUSE

WASHINGTON

MR. PRESIDENT--

ATTACHED IS THE SCRIPT FOR THE UNITED WAY
PUBLIC SERVICE ANNOUNCEMENT WHICH WILL BE
TAPED TODAY AT APPROXIMATELY 12:10 (FOLLOWING
THE MATERNAL AND INFANT MALNUTRITION FILM)
IN THE MAP ROOM.

THE SCRIPT IS ALSO ON THE TELEPROMPTER.

JERRY RAFSHOON

TONIGHT, I WANT TO SPEAK TO YOU ABOUT
VOLUNTEERS AND VOLUNTARY ORGANIZATIONS.

WE ALL KNOW THAT GOVERNMENT ALONE CANNOT,
AND SHOULD NOT, DO EVERYTHING FOR US.

THAT'S WHY VOLUNTEERS CONTRIBUTE SO
MUCH TO THE STRENGTH OF OUR NATION.

VOLUNTARISM IS PART OF AMERICAN'S HERITAGE...
FROM THE FOUNDING FATHERS TO THE PIONEER
SPIRIT THAT BUILT OUR NATION.

AND IT IS WORKING TODAY THROUGH PROGRAMS
THAT PROVIDE NEEDED SERVICES TO MILLIONS OF PEOPLE.

THE UNITED WAY EFFORT IS THE LARGEST VOLUNTEER GROUP OF MANAGEMENT AND LABOR, INDIVIDUALS AND CORPORATIONS, WORKING TOGETHER IN THE NATION.

WE ARE ALL FAMILIAR WITH THE MANY UNITED WAY-SUPPORTED AGENCIES... SUCH AS THE RED CROSS, BOYS' CLUBS, THE MENTAL HEALTH ASSOCIATION, FAMILY COUNSELING SERVICES, THE SALVATION ARMY, SCOUTING AND THE Y'S...AND PROGRAMS THAT HELP THE AGED, THE HANDICAPPED, THE SICK AND POOR, AND WORK WITH MINORITIES AND CHILDREN.

BUT IT IS ONLY WHEN WE SEE THESE GROUPS HELPING IN OUR LOCAL COMMUNITY THAT WE FULLY UNDERSTAND THE IMPORTANCE OF THE VOLUNTARY MOVEMENT.

WE CANNOT BEGIN TO COVER ALL OF THE PROGRAMS, BUT LET ME SHOW YOU JUST A FEW EXAMPLES OF HOW IT'S WORKING:

3
(FILM)

IN HOUSTON, TEXAS, IN A UNITED WAY-SUPPORTED AGENCY FOR THE DEAF, MEET MARIKA.

SHE HAS OVERCOME THE HANDICAP OF A SEVERE HEARING LOSS WITH THE AID OF SPECIAL THERAPY, LOVE AND UNDERSTANDING.

(FILM)

AND HERE ON A CONSTRUCTION SITE IN ATLANTA, GEORGIA, THE URBAN LEAGUE IS AT WORK.

THIS VOLUNTARY AGENCY, SUPPORTED BY THE UNITED WAY, IS FINDING JOBS FOR WOMEN LIKE MIRIAM IN CONSTRUCTION AND SKILLED LABOR.

(FILM)

IN LOS ANGELES, A CATHOLIC ADOPTION AGENCY CARES FOR AND PLACES INFANTS WITH FAMILIES.

AND IN ST. LOUIS, THE SALVATION ARMY HAS A CENTER TO CARE FOR BATTERED CHILDREN.

BECAUSE UNITED WAY SUPPORTS SO MANY SERVICES IN ONE FUND-RAISING CAMPAIGN, IT'S AN EFFICIENT AND EFFECTIVE WAY TO GIVE.

89¢ OF EVERY DOLLAR GOES TO THE AGENCIES TO HELP PEOPLE.

4

BUT IT'S THE HUMAN SIDE OF UNITED WAY THAT
REALLY COUNTS.

LET ME SHOW YOU JUST ONE CHILD.

(FILM)

THE STORY OF THIS YOUNG GIRL AND HER
FAMILY DEMONSTRATES THAT NO ONE IS ABOVE PERSONAL
TRAGEDY.

WHEN GERRI WAS BORN, SHE SEEMED A NORMAL
HEALTHY CHILD.

BUT WHEN SHE WAS 2½, THE DOCTORS DISCOVERED A
RARE FORM OF CANCER IN HER EYES.

HER ONLY HOPE LAY IN SURGERY THAT WOULD SAVE
HER LIFE, BUT LEAVE HER BLIND.

TODAY GERRI IS EIGHT YEARS OLD, A HAPPY AND
HEALTHY CHILD WHO LOVES MUSIC AND READING.

THROUGH THE HELP OF A UNITED WAY VOLUNTEER,
GERRI WAS SENT TO A SPECIAL SCHOOL.

A SCHOOL WHERE A UNITED WAY AGENCY SUPPLIES
BRAILLE BOOKS AND MAPS, OPENING A WHOLE NEW WORLD FOR
CHILDREN LIKE GERRI.

THROUGH A CHILD WHO CANNOT SEE, PERHAPS WE
CAN SEE THAT THERE IS MUCH WE CAN DO TO HELP.

WE LIVE IN A COUNTRY WHERE CARING FOR OTHERS
IS A WAY OF LIFE.

AND ONE OF OUR MOST VALUABLE RESOURCES IS OUR
SPIRIT OF VOLUNTARISM.

TONIGHT, I INVITE YOU TO BE A PART OF YOUR LOCAL
UNITED WAY....TO SHARE YOURSELF AND YOUR GIFTS WITH THE
LESS FORTUNATE.

AND I'D LIKE TO EXPRESS MY HEARTFELT APPRECIATION
FOR YOUR COMPASSION, CHARACTER AND VOLUNTARY ACTIONS.

THANK YOU.

#####

THE WHITE HOUSE
WASHINGTON

PUBLIC SERVICE TELEVISION ANNOUNCEMENT
FOR NATIONAL MATERNAL & INFANT MALNUTRITION FILMS

September 25, 1978

12:00 noon
(preceeding United Way)

Diplomatic Reception Room

FROM:

Jerry Rafshoon

I. PURPOSE

This is a 90-second public service message which was requested by Senator Sasser. The message would be edited on to two films. The first film, featuring Patricia Neal, asks at the end, "Do we care...do we really care?" The Presidential message would follow her question. The second film would begin with the Presidential message, deleting the sentence referring to Patricia. The films would be used as TV public service announcement, a part of a syndicated television show, and aids for underprivileged pregnant women and the medical community.

II. BACKGROUND, PARTICIPANTS, AND PRESS PLAN

The script has been reviewed by Bob Berenson, Health Consultant for the Domestic Policy Staff, and myself.

Participants include Anne Edwards, Carol Coleman and a film crew.

There is no press plan.

III. TALKING POINTS

The script is attached and will also be on teleprompter.

(PRESIDENT CARTER SPEAKING IN RESPONSE TO FILM
FEATURING PATRICIA NEAL)

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SOMETHING ABOUT IT.

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A LOSS TO OUR COUNTRY, SOCIALLY AND ECONOMICALLY.

PRODUCTIVE PEOPLE ARE AMERICA'S GREATEST NATURAL
RESOURCE. AND, IF WE ARE TO CONTINUE GROWING IN STRENGTH
AND LEADERSHIP AS A NATION...WE NEED HEALTHY, SELF
SUFFICIENT PEOPLE.

WE CANNOT AFFORD TO DENY ANY CHILD ^{a good} ~~HIS OR HER~~
CHANCE IN LIFE...BECAUSE THE MOST IMPORTANT OF ALL
HUMAN RIGHTS IS THE RIGHT TO A HEALTHY START.

FOR YEARS, I HAVE WORKED TO SEE THAT EVERY CHILD
HAS ENOUGH TO EAT. AND I WILL CONTINUE TO SUPPORT
PROGRAMS TO FEED THE LESS FORTUNATE.

IN A COUNTRY AS COMPASSIONATE AND AS PRODUCTIVE
AS OURS, EVERYTHING IS POSSIBLE WHEN PEOPLE CARE ENOUGH...
ABOUT PEOPLE.

#

12:00 noon

ok -

See comment

J

THE WHITE HOUSE

WASHINGTON

PUBLIC SERVICE TELEVISION SCRIPT

FOR THE UNITED WAY

September 25, 1978

11:30-11:45 A.M.

Place to be determined

FROM: Jerry Rafshoon

I. PURPOSE

This is a five-minute, public service television message for The United Way. It will be aired on all three networks, as a kick-off to the 1978 United Way Campaign. There are four places in the script where The United Way will edit in film of people who have been helped by United Way agencies, and you will continue to speak over the film.

II. BACKGROUND, PARTICIPANTS, AND PRESS PLAN

This is similar to The United Way message which you filmed last year.

Participants include Anne Edwards, Carol Coleman and Mario Pellegrini from The United Way. Mr. Pellegrini will bring the film crew.

There is no press plan. Mr. Pellegrini plans to release your statement to the press.

III. TALKING POINTS

The script is attached and will also be on teleprompter.

TONIGHT, I WANT TO SPEAK TO YOU ABOUT
VOLUNTEERS AND VOLUNTARY ORGANIZATIONS.

WE ALL KNOW THAT GOVERNMENT ALONE CANNOT,
AND SHOULD NOT, DO EVERYTHING FOR US.

THAT'S WHY VOLUNTEERS CONTRIBUTE SO
MUCH TO THE STRENGTH OF OUR NATION.

VOLUNTARISM IS PART OF AMERICAN'S HERITAGE...
FROM THE FOUNDING FATHERS TO THE PIONEER
SPIRIT THAT BUILT OUR NATION.

AND IT IS WORKING TODAY THROUGH PROGRAMS
THAT PROVIDE NEEDED SERVICES TO MILLIONS OF PEOPLE.

TONIGHT, IN 2,300 COMMUNITIES, VOLUNTEERS
ARE STARTING CAMPAIGNS TO RAISE OVER 1 BILLION, 200
MILLION DOLLARS.

THEY ARE PART OF THE 20 MILLION UNITED WAY
VOLUNTEERS WHO WILL WORK TO FUND AND EVALUATE OVER
37,000 AGENCIES, PROGRAMS AND SERVICES.

*Cut out
all these
numbers*

THEIR HELP WILL REACH 34 MILLION FAMILIES.

THIS UNITED WAY EFFORT IS THE LARGEST VOLUNTEER GROUP OF MANAGEMENT AND LABOR, INDIVIDUALS AND CORPORATIONS, WORKING TOGETHER IN THE NATION.

WE ARE ALL FAMILIAR WITH THE MANY UNITED WAY-SUPPORTED AGENCIES... SUCH AS THE RED CROSS, BOYS' CLUBS, THE MENTAL HEALTH ASSOCIATION, FAMILY COUNSELING SERVICES, THE SALVATION ARMY, SCOUTING AND THE Y'S...AND PROGRAMS THAT HELP THE AGED, THE HANDICAPPED, THE SICK AND POOR, AND WORK WITH MINORITIES AND CHILDREN.

BUT IT IS ONLY WHEN WE SEE THESE GROUPS HELPING IN OUR LOCAL COMMUNITY THAT WE FULLY UNDERSTAND THE IMPORTANCE OF THE VOLUNTARY MOVEMENT.

WE CANNOT BEGIN TO COVER ALL OF THE PROGRAMS, BUT LET ME SHOW YOU JUST A FEW EXAMPLES OF HOW IT'S WORKING:

(FILM)

IN HOUSTON, TEXAS, IN A UNITED WAY-SUPPORTED AGENCY FOR THE DEAF, MEET MARIKA.

SHE HAS OVERCOME THE HANDICAP OF A SEVERE HEARING LOSS WITH THE AID OF SPECIAL THERAPY, LOVE AND UNDERSTANDING.

(FILM)

AND HERE ON A CONSTRUCTION SITE IN ATLANTA, GEORGIA, THE URBAN LEAGUE IS AT WORK.

THIS VOLUNTARY AGENCY, SUPPORTED BY THE UNITED WAY, IS FINDING JOBS FOR WOMEN LIKE MIRIAM IN CONSTRUCTION AND SKILLED LABOR.

(FILM)

IN LOS ANGELES, A CATHOLIC ADOPTION AGENCY CARES FOR AND PLACES INFANTS WITH FAMILIES.

AND IN ST. LOUIS, THE SALVATION ARMY HAS A CENTER TO CARE FOR BATTERED CHILDREN.

BECAUSE UNITED WAY SUPPORTS SO MANY SERVICES IN ONE FUND-RAISING CAMPAIGN, IT'S AN EFFICIENT AND EFFECTIVE WAY TO GIVE.

89¢ OF EVERY DOLLAR GOES TO THE AGENCIES TO HELP PEOPLE.

BUT IT'S THE HUMAN SIDE OF UNITED WAY THAT
REALLY COUNTS.

LET ME SHOW YOU JUST ONE CHILD.

(FILM)

THE STORY OF THIS YOUNG GIRL AND HER
FAMILY DEMONSTRATES THAT NO ONE IS ABOVE PERSONAL
TRAGEDY.

WHEN GERRI WAS BORN, SHE SEEMED A NORMAL
HEALTHY CHILD.

BUT WHEN SHE WAS 2½, THE DOCTORS DISCOVERED A
RARE FORM OF CANCER IN HER EYES.

HER ONLY HOPE LAY IN SURGERY THAT WOULD SAVE
HER LIFE, BUT LEAVE HER BLIND.

TODAY GERRI IS EIGHT YEARS OLD, A HAPPY AND
HEALTHY CHILD WHO LOVES MUSIC AND READING.

THROUGH THE HELP OF A UNITED WAY VOLUNTEER,
GERRI WAS SENT TO A SPECIAL SCHOOL.

A SCHOOL WHERE A UNITED WAY AGENCY SUPPLIES
BRAILLE BOOKS AND MAPS, OPENING A WHOLE NEW WORLD FOR
CHILDREN LIKE GERRI.

THROUGH A CHILD WHO CANNOT SEE, PERHAPS WE
CAN SEE THAT THERE IS MUCH WE CAN DO TO HELP.

WE LIVE IN A COUNTRY WHERE CARING FOR OTHERS
IS A WAY OF LIFE.

AND ONE OF OUR MOST VALUABLE RESOURCES IS OUR
SPIRIT OF VOLUNTARISM.

TONIGHT, I INVITE YOU TO BE A PART OF YOUR LOCAL
UNITED WAY....TO SHARE YOURSELF AND YOUR GIFTS WITH THE
LESS FORTUNATE.

AND I'D LIKE TO EXPRESS MY HEARTFELT APPRECIATION
FOR YOUR COMPASSION, CHARACTER AND VOLUNTARY ACTIONS.

THANK YOU.

#####

THE WHITE HOUSE
WASHINGTON

9/22/78

Jerry Rafshoon

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

~~12:20~~ PM

12:28 p.m.

THE WHITE HOUSE
WASHINGTON

September 22, 1978

PHOTO SESSION WITH REP. TOM LUKE, REP. BILL GRADISON
AND PETE ROSE

Monday, September 25, 1978
12:20 p.m. (2 minutes)
The Oval Office

From: Frank Moore *F.M./BR*

I. PURPOSE

Photo session and opportunity to congratulate Pete Rose on his batting record. He will present you with a "Pete Rose" t-shirt and a copy of his book.

II. BACKGROUND, PARTICIPANTS, & PRESS PLAN

- A. Background: Pete Rose is 37 years old and is Cincinnati's hometown baseball hero. He has been third baseman for the Cincinnati Reds for sixteen seasons and has won three National League batting titles. In May, this switch-hitter broke the 3000 hit mark to join the select ranks of greats like Ty Cobb, Hank Aaron, Stan Musial, and Willie Mays.

Rose is now ranked number 10 of those few who have batted over 3100 runs, with the current hit record of 3,151. It could change over the weekend. His batting average for the year is .301 and he set a new League Record this summer hitting safely in 44 consecutive games.

His wife's name is Carolyn and they have two children, Fawn and Petey.

Congressman Luken (D-2-Ohio) and Congressman Gradison (R-1-Ohio) are hosting Pete Rose Day here in Washington. There will be luncheon for him on Capitol Hill and a House Resolution will be read in his honor.

- B. Participants: The President
Rep. Thomas Luken
Rep. Willis D. (Bill) Gradison
Pete Rose
Reuven Katz (Rose's Manager and
Attorney)
Hannah Margetich (Administrative
Aide for Rep. Luken)
Frank Moore
Jim Free
- C. Press Plan: White House Photographer

11:00 AM

THE WHITE HOUSE

WASHINGTON

September 23, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: JACK WATSON *Jack*
SUBJECT: Photograph for Combined Federal Campaign
Monday, September 25, 1978 11:00 a.m.

Accompanying Secretary Califano for a photograph to be used in brochures and advertising for the Combined Federal Campaign will be:

Armin Kuder, Esquire
Chairman, National Capital Area Council of the
National Health Agencies

William Walsh, M.D.
President and Medical Director of People to People
Health Foundation (Project Hope)

Joseph Danzansky, Chairman of the Board, Giant Food, Inc.
Campaign Chairman, United Way of the National
Capital Area

William Schaeffler
Director, Combined Federal Campaign

Alan Campbell
Vice Chairman, 1979 Combined Federal Campaign

The photograph will be taken in the Oval Office.

THE WHITE HOUSE
WASHINGTON
9/25/78

Stu Eizenstat
Bob Linder

The attached was returned in the President's outbox today and is forwarded to you for your information. The signed original has been given to Bob Linder for appropriate handling.

Rick Hutcheson

cc: Bob Linder

THE WHITE HOUSE
WASHINGTON

September 22, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: BOB LIPSHUTZ *Doug Huron for RJL*
STU EIZENSTAT *Stu*

RE: CAB Decision: Air Panama Internacional S.A.
Docket 33427

The CAB proposes to suspend special student air fares for service between Miami and Panama City. The Board has previously found that such special fares are discriminatory.

The interested agencies have no objection to the Board's proposed order which becomes final unless you disapprove it by September 25. We recommend that you approve it by taking no action.

☒

Approve

☐ Disapprove

[Handwritten signature]

9:00 AM

THE WHITE HOUSE
WASHINGTON

September 23, 1978

MEMORANDUM FOR THE PRESIDENT

FROM:

JACK WATSON *Jack*
GENE EIDENBERG

SUBJECT:

Proposed Agenda for the
Cabinet Meeting on Monday,
September 25, 1978 (9:00 a.m.)

I. Miscellaneous Items

- Robert Carswell, Deputy Secretary of the Treasury, will attend the meeting for Secretary Blumenthal.
- James Joseph, Under Secretary of Interior, will attend for Secretary Andrus.
- Frank Carlucci, Deputy Director of the CIA, will attend for Admiral Turner.

II. Foreign Affairs

- You may wish to begin the meeting with a report on the Camp David Summit and the status of the implementation of the agreements. This will be your first opportunity to brief the Cabinet on the Camp David meetings.
- The status of the negotiations on the future of Namibia is a subject on which either you or Andy Young could report.

III. Domestic Affairs

- As you know, a major effort is being mounted to pass an effective hospital cost containment bill this year. Joe Califano would like 10 minutes early in the meeting to brief the Cabinet on the status of, and need for, Congressional action. He has two or three charts he wants to show the Cabinet. He will

make a very strong request of the Cabinet to assist in the effort. The major argument we are using is the anti-inflationary effect of passing a strong hospital cost control bill. Materials each Cabinet Member can use will be distributed before the meeting.

Joe Califano, Bob Strauss, Charlie Schultze and Stu will do a short press briefing after the meeting. Putting this item on the agenda and expressing your personal support for the measure will be the basis for the press briefing.

- Joe Califano would like three minutes to brief the Cabinet on the 1979 Combined Federal Campaign which he is chairing at your request. He has materials for each Cabinet Member which we will distribute before the meeting. A suggested point for you to make in introducing this:
 - o Last year's Combined Federal Campaign was the most successful in the 14 year history of the CFC in the National Capital Area. Mike Blumenthal chaired last year's campaign during which we raised over \$11.1 million.
- Other major pending legislative items on which you may wish to ask for status reports
 - public works (Jim Joseph, Brown, and Schlesinger);
 - natural gas deregulation compromise (Schlesinger);
 - surface transportation - highway and transit (Adams).
 - Department of Education (McIntyre).
- You may want to brief the Cabinet on your deliberations leading to next steps in inflation policy. Last week's meeting with your economic advisors was widely reported and there is considerable anticipation of both substance and timing of your decisions.

-- The Vice President's Office has requested that you mention the recently established Task Force on Youth Employment. Suggested talking points follow:

- The Vice President has agreed to chair, at my request, a Cabinet level task force on youth employment.
- I want to ask Members of the Cabinet as part of this initiative to become informed on our new youth programs, to visit youth projects in the course of your regular travel schedules and to speak to interested groups about our efforts.
- We need to emphasize the significant amount of interagency cooperation that has been achieved in launching this program and to highlight the contribution and involvement of business, labor, education, and community groups. These programs exemplify the best of the new partnership.
- We will be working with your staffs over the next few weeks to get you all actively involved.

CC: The Vice President

THE WHITE HOUSE

WASHINGTON

September 25, 1978

MEMORANDUM FOR THE PRESIDENT

FROM:

ANNE WEXLER *Anne*

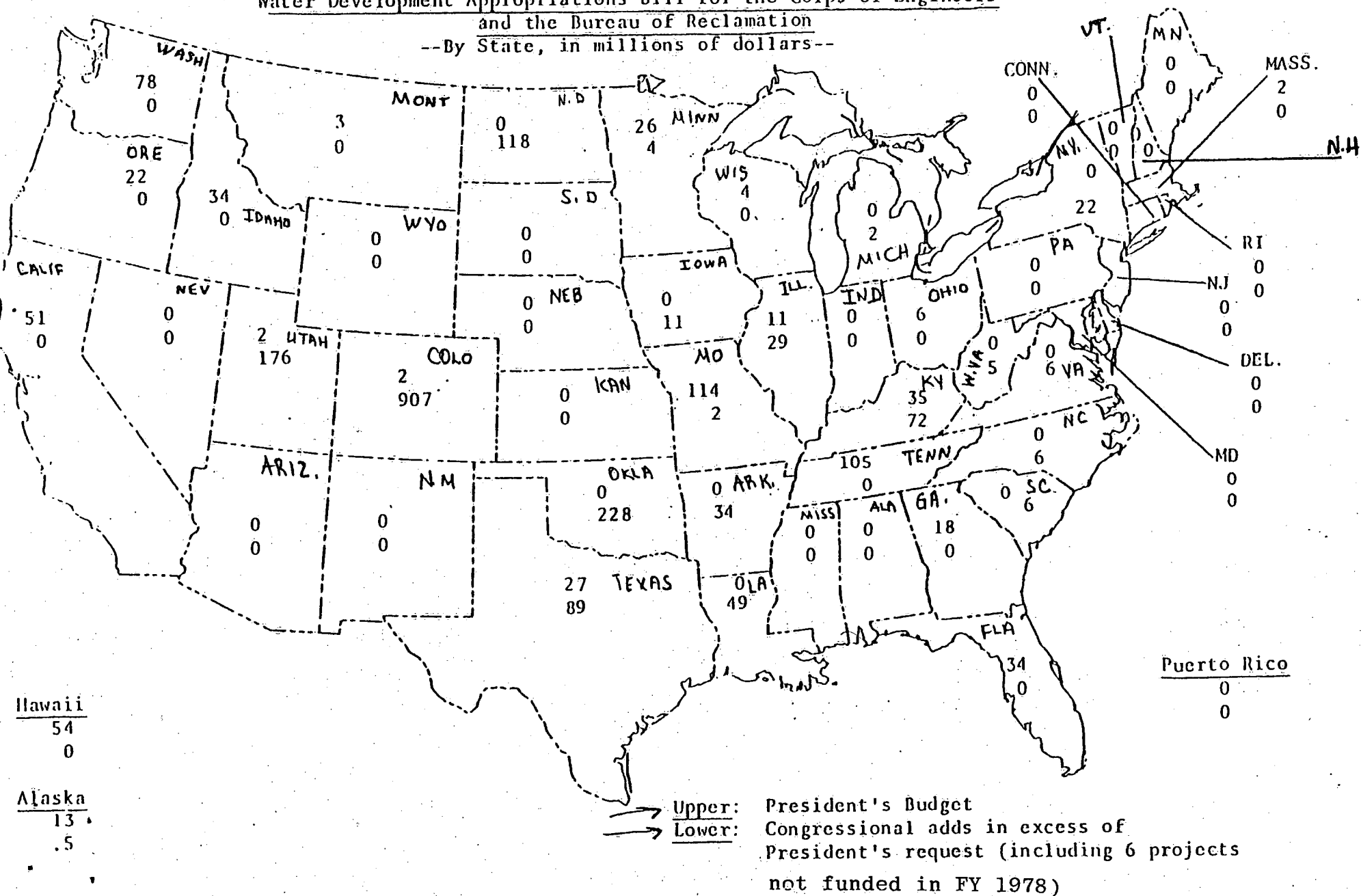
Attached is a map showing your budget (upper figure) and the congressional adds (lower figure) state by state. This graphically illustrates that we are not making a war on the Western states; where there can be a free vote for congressmen and where we can logically expect no support.

We are including this map in our materials for distribution on the hill; each congressional liaison person carries one in his or her pocket and we are also supplying copies to the senior staff and the cabinet.

I hope you will find it useful in your own personal lobbying efforts.

Attachment

Total Cost of New Water Projects in FY 1979
Water Development Appropriations Bill for the Corps of Engineers
and the Bureau of Reclamation
 --By State, in millions of dollars--



THE WHITE HOUSE
WASHINGTON

8:00 a.m. Tuesday
SEPTEMBER 25, 1978

ok
J

MR. PRESIDENT

WARREN CHRISTOPHER CALLED.

HE WILL SEND TO YOU TODAY A

PROPOSED MESSAGE TO BEGIN

PARALLEL TO THE MESSAGE EILTS

IS CARRYING TO SADAT REGARDING

MEETINGS HERE.

PHIL

THE WHITE HOUSE
WASHINGTON

*Good
J*

SEPTEMBER 25, 1978
MONDAY - 11:35 A.M.

MR. PRESIDENT

JOE CALIFANO CALLED TO LET
YOU KNOW STAN ROSS' NOMINATION
FOR SOCIAL SECURITY COM-
MISSIONER WAS UNANIMOUSLY
REPORTED AFTER A 15-MINUTE
HEARING TODAY.

ALL REFERENCES WERE TO
HIS PROFESSIONAL QUALIFICA-
TIONS.

PHIL

Joe Namath - Pete Maravich - Tony Dorsett
Doc Medich - Henry Mancini



ABOARD AIR FORCE ONE

J Mercer - Moon R.

Days of Wine & Roses

Town Hall - Aliquippa

Duties - police, itself,
Ethics Bill

GSA Jay Solomon - few weeks. invest.

More looked / found = Spec Invest.
+ Dept of Justice

\$ Billions

Other agencies. 12 Insp Gen's

Civil Service - Spec Council

Inherited a mess - decades

betting under control

Unemp Beav. Co = 5-9%

Steal - Emp + 24,000 = 78 → 90% UH

Shipments + 5%. Revenues + 71%
2nd Q

TRIGGER PRICE SYSTEM

Stop Dumping

Prod + 10% 7/77-78

notes re opening statement
aliquippa, pennsylvania,
town hall meeting 9/23/78

(over)

- Bill Moorhead (14) close +
Don Walgren (16) close +
Don Bailey & Dent (21) close +
Gene Atkinson & Myers (25) close +
(Aliquippa)
Austin Murphy (22) +
PETE FLAHERTY +

Gene Atkinson - Grad Sch Pub Admin
Beaver Co. Comm.

(W. Marion) Man of Year - Youth Sports
Helped Rosalynn. Shared offices '76
Bridges, Road repair - Steel imports
Close to Flaherty

~~Mt Vernon Plaza - Glenn Metzgerbaum~~

arrival statement
aliquippa, pennsylvania
9/23/78

(over)

THE WHITE HOUSE
WASHINGTON

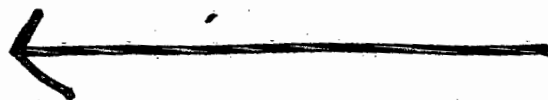
notes from aliquippa, pennsylvania
town hall meeting

9/23/78

MS Rosmini - Small force
MS Cabot - Learning down home
Att Clark - David - Ray - 12-24
Mr Feary - NHI
M Henderson - 32 - Army
MS Babak - '80 - King
MS Vadno - Girl Scouts
Mr McGuire - Jay Junior Vets
Mr Kaulking - Orth Christian Fellowship
Mr Orgahtolly - Lyken & LTV
Mr Brown - DoEd
M Chaublist - PLO
MS Heyman - Shalom - 5/12/90 - Steeling
MS Hensley - Senior Citizens
Mr Joyce - Fishing community
Mr Martin - Corruptor Mr Buxton

Mr. President:

When the town
meeting concludes, exit the
stage to your left.



THE WHITE HOUSE
WASHINGTON

September 27, 1978

MEMORANDUM FOR MEMBERS OF THE CABINET

FROM: JACK WATSON *Jack*
SUBJECT: Cabinet Minutes for the Meeting
Held on Monday, September 25, 1978

Due to the nature of the contents of the attached minutes, they are only being distributed to Cabinet Members with the request that no copies or distribution be made, and that they be kept "for your eyes only."

Thank you.

THE WHITE HOUSE

WASHINGTON

Minutes of the Cabinet Meeting

Monday, September 25, 1978

The President called the Fifty-fifth meeting of the Cabinet to order at 9:04 a.m., Monday, September 25, 1978. All Cabinet members were present except Mr. Andrus, who was represented by Under Secretary of the Interior James Joseph, and Mr. Blumenthal, who was represented by Robert Carswell, Deputy Secretary of the Treasury. Other persons present were:

Frank Carlucci
Douglas Costle
Eugene Eidenberg
Stuart Eizenstat
Rex Granum
Margaret McKenna
Dick Moe

Frank Moore
Esther Peterson
Frank Press
Jerry Rafshoon
Anne Wexler
John White
Jack Watson

1. The President opened the meeting by briefly summarizing the status of seven priority legislative items and their progress since the April 25th meeting of the Cabinet: (1) The National Energy Program; (2) Tax Reform Legislation; (3) Civil Service Reform; (4) The Mid-East arms sale; (5) Airline de-regulation; (6) Hospital Cost Containment; and (7) The Turkish arms embargo. The President noted with pleasure the substantial progress that has been made on most of the items on the list and underscored the need for a continuing concerted effort on the unfinished matters before the current session of the Congress ends.

2. The President asked Secretary Vance to brief the Cabinet on his trip to Jordan, Saudi Arabia, and Syria following the Camp David Summit.

-- The Secretary, who returned this morning, reported that, as expected, there is a great deal of concern and debate in the Middle East about the Camp David accords between Prime Minister Begin and President Sadat. After describing his meetings with King Hussein of Jordan, King Khalid of Saudi Arabia and President Assad of Syria, the Secretary noted that communications between those leaders and the U. S., as well as with other Arab leaders, will remain open, and that the United States will continue to

provide information in response to questions posed by the three leaders in their conversations with the Secretary. Mr. Vance said that there is still much work to be done, and that the vote by the Israeli Parliament on the future of the Sinai settlements will be very important.

-- The President emphasized the importance of Secretary Vance's trip immediately following the Summit as evidence of our desire to continue dialogues with all Arab leaders. The President noted that the three central issues in the Middle East peace process are (1) the future of the West Bank of Jordan; (2) the future of Jerusalem; and (3) the fate of the Palestinian refugees.

-- Secretary Vance also stressed the importance to the on-going peace negotiations of the strong bi-lateral relationships the U.S. has with all three nations he visited.

3. The President raised a number of important domestic issues for discussion with the Cabinet. He mentioned the status of the civil service reform legislation and said the conference committee's work may be completed as early as Wednesday of this week. He also commented briefly on the labor relations portion of the bill which is still being discussed by the conference committee.

-- The President noted that excellent progress was being made on the airline de-regulation bill. He expressed some concern about the connection in some people's minds between de-regulation and the airline noise bill. He noted that the latter legislation contains two titles which, if passed, would be quite costly to consumers.

-- The President also expressed his concern about the tax bill which is being developed by the Senate Finance Committee. Although he does not want to veto the tax bill, he will have to consider a veto if the bill is not improved before it is sent to him.

-- The President said that the public works conference committee report is unacceptable in its present form. If he decides to veto the bill (which has not yet been voted by the Senate), the President said that we will have to mount an all-out effort to sustain the veto.

-- The President commented that we must also make a major effort to get an effective hospital cost containment bill before Congress adjourns. He noted that he had mentioned hospital cost containment in virtually every speech he made during the past weekend in North and South Carolina, Pennsylvania and Ohio, and that the public's reaction was very positive.

-- The President briefly noted the high cost of the highway bill passed by the House last week and asked Secretary Adams to comment on the subject.

-- Secretary Adams said that the Senate bill is acceptable, and that he has made it clear that the Administration is not interested in merely accepting a figure between the low Senate and high House numbers. He observed that if the bill that is finally submitted to the President is unacceptable, the effort to sustain a veto will have to be concentrated in the Senate.

-- The President reported that the bill creating approximately 150 new federal judgeships is making good progress and is likely to pass. He said that he wants a fairly effective and workable candidate screening and selection process to be established.

-- The President also briefly noted his concern about the level of proposed sugar price supports and said that he would not support a bill supporting sugar at more than \$.15 per pound.

-- The Attorney General asked whether it is likely that the Congress will return to complete unfinished business after the November elections. The President said that he hopes the Congress will not have to return for such a session.

-- The President also noted the difficulties with the tuition tax credit legislation and said that a veto of that bill was a possibility.

3. The President summarized the legislative calendar in the Senate and urged the Cabinet to cooperate fully with Majority Leader Byrd in holding to that calendar; Senator Byrd is working very hard to accomodate the high priority items which are competing for time on the Senate calendar. The President said that, before any member of the Cabinet asked Senator Byrd to schedule an item, he or she should discuss the matter with Frank Moore.

4. The President reported on his weekend campaign trips and said that the reception he received everywhere was extremely warm. The President congratulated the members of the Cabinet for their heavy schedule of campaign trips. He said that, by election day, his family and the Cabinet will have made more than 1,000 campaign visits for Congressional and Gubernatorial candidates.

5. The President commented on the importance of the Alaska lands bill which is pending in the Senate.

6. The President asked Secretary Califano to brief the Cabinet on the status of the hospital cost containment bill which will be before the Senate later this week or early next week. The President emphasized the importance of the legislation in terms of our anti-inflation efforts.

-- Secretary Califano briefed the Cabinet on the subject and asked for their active support in securing the passage of a strong cost containment bill.

-- The President said that he had talked with Speaker O'Neill last week about the cost containment bill, and the Speaker indicated that, if the Senate passes a bill, he will try to get it before the House before adjournment.

7. The President asked Secretary Schlesinger to report on the status of the energy legislation.

-- The Secretary reported that the final vote on the natural gas compromise in the Senate will come at 1:00 p.m. on Wednesday of this week, and that he is cautiously optimistic about the outcome. The Secretary then discussed the situation in the House and noted that a strong vote in the Senate would be very helpful to the bill's chances in the House. He also commented on the scheduling complexities of the energy legislation and expressed his hope that the scheduling of other legislative decisions would not complicate the House's consideration of the natural gas compromise.

-- With respect to the tax portions of the energy program, the Secretary expects Congress to pass the so-called "gas-guzzler" tax but believes that the industrial user tax is doubtful. He does not believe the Congress will pass the crude oil equalization tax (COET) at this time. The Secretary said that the Canadian government is very interested in the timing of the gas compromise vote because of its effect on the prospects of the Alaska gas pipeline.

-- Secretary Vance said that he has also received inquiries from the Canadian government on this issue.

-- The President noted that without the gas compromise bill, we will not be able to move on the Alaska gas pipeline. The President also said that he would make appropriate telephone calls and would drop-by key briefings for House members scheduled this week in the White House on the gas bill.

8. The President asked Ambassador Young to brief the Cabinet on the status of the Namibian negotiations.

-- Ambassador Young noted the announced resignation of Prime Minister Vorster of South Africa and its importance to the Namibian situation. The Ambassador expressed his hope that once a new Prime Minister is selected in South Africa, constructive negotiations will resume.

-- Ambassador Young also briefly reviewed the situation in Rhodesia.

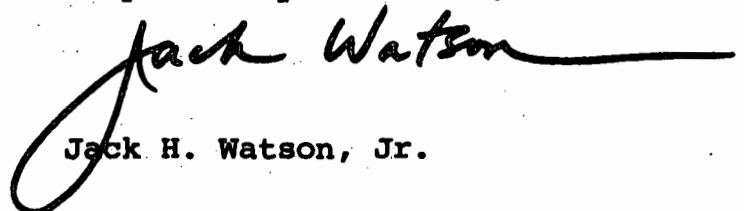
9. The President asked Secretary Califano, as Chairperson of the Combined Federal Campaign, to brief the Cabinet on this important fund drive.

-- Secretary Califano noted the important role each Cabinet member can play within his/her agency in securing high levels of participation in the annual campaign. He urged each Cabinet member's personal participation in the effort.

10. Secretary Schlesinger asked about the status of nuclear non-proliferation discussions within the Administration. The President asked Secretary Schlesinger to meet with Secretary Brown and Dr. Brzezinski on the matter after the Cabinet meeting.

The meeting was adjourned at 10:10 a.m.

Respectfully submitted,



Jack H. Watson, Jr.

THE WHITE HOUSE
WASHINGTON

September 25, 1978

C
/

MEMORANDUM FOR THE PRESIDENT

FROM: HUGH CARTER *HC*
SUBJECT: 5.5 Pay Increase for White House Staff
(Per Your Request)

In our September 20 memo regarding the cost-of-living increase for White House staff, we asked your preference between two different ways to adjust the limits of the mid-level restricted pay category (presently 35 persons from \$37,500 to \$47,499).

In your response you indicated that you preferred whichever would cost less, and asked us to let you know which it was.

Although neither of the two options presented is inherently more or less expensive than the other, the choice of raising the lower limit of the restricted bracket potentially could be more expensive. This is because it would allow a "bunching" of salaries just below the new lower limit (\$39,563), which in the aggregate could cost more than increasing the number of persons in the restricted category by 5.

Accordingly, we have chosen to go with the option which would keep the upper and lower limits of this category at the same dollar level, but increase the allowable number of persons in this bracket from 35 to 40, and the average salary in this category from \$45,000 to \$46,500.

THE WHITE HOUSE
WASHINGTON

September 20, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: THE PERSONNEL COMMITTEE
(Bob Lipshutz, Hamilton Jordan, Richard Harden and Hugh Carter)

SUBJECT: Cost-of-Living Increase for White House Staff

The Personnel Committee makes the following recommendation to you concerning the 5.5% cost-of-living pay increase which you have recommended for all Government employees, as it applies to White House staff personnel:

- (1) We recommend that the increase be given to all White House Office staff members earning less than the statutory GS-18/Executive Level V maximum (now \$47,500).

The only exception would be that each department head would have the authority to decline the raise to any member of his/her staff on an individual basis, if deemed appropriate.

The total annual cost of this increase, including benefits, would be \$421,000 which would be requested as a supplemental appropriation to our 1979 budget.

You may recall that last year the Press picked up the 7.05% increase given to White House employees as if it were unique to the White House. In order to avert a recurrence this year, we would plan on announcing that the White House staff, except Senior Staff, received the same increase as all other Government employees at the same time as the Government-wide increase goes into effect.

Approve _____

Disapprove _____

Other _____

-2-

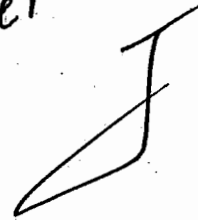
- (2) At present the number of White House Policy Staff members earning between \$37,500 and \$47,499 is limited by your directive to 35, with an average not to exceed \$45,000. (At this time there are 31 persons in this bracket.)

The 5.5% increase would move 5 persons into this bracket. Assuming that you approve the 5.5% increase, we must make an adjustment in the restricted category. Two options to accomplish this are:

- (a) raise the lower limit and average of this bracket by 5.5% to \$39,563 and \$47,475 respectively and maintain the limit of 35 persons, or alternately _____
- (b) increase the allowable number in this bracket to 40, maintaining present lower limit, and increase the allowable average to \$46,500. _____

Could you please indicate which of the above you would prefer, assuming that the increase is approved.

*Whichever
Costs less -
let me know*



THE WHITE HOUSE
WASHINGTON

9/25/78

Stu Eizenstat

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

WEEKLY DPS REPORT

FOR STAFFING

FOR INFORMATION

FROM PRESIDENT'S OUTBOX

LOG IN/TO PRESIDENT TODAY

IMMEDIATE TURNAROUND

NO DEADLINE

LAST DAY FOR ACTION

ACTION

FYI

ADMIN CONFIDENTIAL

CONFIDENTIAL

SECRET

EYES ONLY

VICE PRESIDENT

JORDAN

EIZENSTAT

KRAFT

LIPSHUTZ

MOORE

POWELL

RAFSHOON

WATSON

WEXLER

BRZEZINSKI

MCINTYRE

SCHULTZE

ADAMS

ANDRUS

BELL

BERGLAND

BLUMENTHAL

BROWN

CALIFANO

HARRIS

KREPS

MARSHALL

SCHLESINGER

STRAUSS

VANCE

ARAGON

BUTLER

H. CARTER

CLOUGH

CRUIKSHANK

FALLOWS

FIRST LADY

GAMMILL

HARDEN

HUTCHESON

LINDER

MARTIN

MOE

PETERSON

PETTIGREW

PRESS

SANDERS

VOORDE

WARREN

WISE

THE WHITE HOUSE

WASHINGTON

September 22, 1978

MEMORANDUM FOR: THE PRESIDENT
FROM: STU EIZENSTAT *Sh*
SUBJECT: Domestic Policy Staff Weekly Status Report

AGRICULTURE AND RURAL DEVELOPMENT

Sugar: Still waiting for House floor action. Uncertain whether it will come to a vote next week. In response to the strong urging of Congressman Vanik, who has been our closest ally on this issue, we agreed to endorse the 15 cent market price objective as contained in the Ways and Means Committee bill. We have done so on condition that Vanik will not agree to any bill coming out of conference with a price above this level. On the Senate side, we are told that Senator Long will seek to combine sugar legislation with our requested extension of Presidential authority to waive countervailing duties.

Meat Import Legislation: With unacceptable legislation having passed in the Senate and little apparent chance of acceptable legislation passing the House, we believe that our best strategy is to keep it off the House calendar.

COMMUNICATIONS

The public broadcasting bill has just passed the Senate. The issues to be resolved in conference are fairly minor, so final passage is almost certain this session.

The fundamental revision of the Communications Act proposed by the House Communications Subcommittee has run into extensive political and substantive problems. The sponsors plan to revise it substantially this fall. We are continuing to participate on a low-key basis.

URBAN POLICY

We are working with Frank and Anne to obtain Congressional action on two priority legislative initiatives -- Supplemental Fiscal Assistance and Labor Intensive Public Works.

Working with Jack and Jay Solomon to implement Executive Orders affecting Federal Facilities Location and Federal Procurement.

DRUG ABUSE POLICY

Lee Dogoloff participated last week in an international narcotics customs conference co-hosted by the United States and Bulgaria. Customs officials from 24 Eastern- and Western-block European countries met to discuss interdicting the flow of narcotics across international borders. Our participation was well received.

After seven years and support by three different Presidents, the Senate and House have finally passed the Psychotropic Convention enabling legislation. The next step is for the Senate to ratify the Convention itself -- this should occur early in the 96th Session.

The House Select Committee (Wolff) has scheduled hearings in Germany on drug abuse in the military on November 20-21. We have formed an interagency working group to prepare for these hearings.

NATURAL RESOURCES

Public Works Appropriations: We are continuing to work with Anne Wexler, Frank Moore, other White House Staff and the agencies on a strategy to build support for a possible veto. It appears that we will receive the enrolled bill late next week or early the following week.

Alaska d(2) Lands: We are continuing to work on a strategy to protect Alaska lands if no bill passes this year as appears likely. We do expect the bill to be reported out of the Senate Committee.

Endangered Species: The House Committee has passed an amendment which is substantially worse than the Senate (Culver-Baker) amendment. We will continue to work with Dingell on strategy.

Non-game Wildlife: We have been opposing legislation to create a grant program to help States protect species of wildlife which are neither hunted nor fished. The bill is likely to pass, however, and there are indications a compromise bill would be possible if we wish to avoid a veto. You will be receiving a decision memorandum.

Ido

ENERGY

Natural Gas and Energy Legislation: Continuing to work to secure support for vote on final passage in the Senate, scheduled for September 27. Three briefings have already been held for House members, and additional work is continuing in preparation for a vote there.

Conferences on conservation and utility rate reform will be reconvened for final action immediately following action on the natural gas bill. Senate action should occur during the week of October 2. It is hoped that the energy tax conference can also be reconvened to act on conservation and solar tax credits, gas guzzler, and perhaps oil user taxes. If issues can be completed in time, they could be combined with the reports so that the House can act on the entire package together. Under this schedule, however, it is unlikely that final House action could occur until the last several days before adjournment.

Solar DPR: Response memorandum in preparation.

CRBR: Continuing discussions with Congressional staff on timing of action on the DOE authorization bill, including discussions of final arrangements on the CRBR.

ECONOMICS AND TAX

Tax: We have given you a cover memorandum on our views of the tax legislation, which was attached to Secretary Blumenthal's September 20 memorandum on the status of the tax bill.

Not to me

Export Policy: We are working with Commerce to prepare for your announcement of the export policy on Tuesday, September 26.

FOR STAFFING
FOR INFORMATION
FROM PRESIDENT'S OUTBOX
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NO DEADLINE
LAST DAY FOR ACTION

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	LINDER
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	MOE
	PETERSON
	PETTIGREW
	PRESS
	SANDERS
	VOORDE
	WARREN
	WISE

THE WHITE HOUSE
WASHINGTON

9/25/78

Frank Moore

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: The Vice President
Hamilton Jordan
Stu Eizenstat
Jack Watson

WEEKLY LEGISLATIVE REPORT

*Good report
J*

THE WHITE HOUSE
WASHINGTON

September 23, 1978

ADMINISTRATIVELY
CONFIDENTIAL

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE
SUBJECT: Weekly Legislative Report

GENERAL INFORMATION AND BACKGROUND

Before reporting to you on specific legislative issues in the usual format, I want to call your attention to the general situation relative to the Congressional calendar.

With the aiming for adjournment on October 14, we are about to enter a critical and hectic three-week period. The fate of almost every one of our major domestic initiatives will be decided in roughly 15 to 18 legislative days, beginning Monday, September 25. Final Congressional action on energy, tax reduction and reform, civil service reform, airline deregulation, hospital cost containment, Alaska lands, ERA, Department of Education, and a variety of other administration-sponsored measures will hit us in rapid-fire succession. In addition, twenty or so expiring authorizations or appropriations appear on the Congressional leadership's "must pass" list.

To complicate matters, we will be faced with one or more tough and potentially divisive veto fights, starting with the Public Works Appropriations bill. And, as we discussed Thursday afternoon, there could well be additional "veto candidates," including tuition tax credits, surface transportation, veterans pensions, etc.

While it is impossible to predict the Congressional schedule with any degree of certainty, we believe the following can be used as a guideline:

Wednesday, September 27 -- The Senate will pass the natural gas bill. That will leave some Conference Committee work to be done on Utility Rate Reform and Energy Conservation. Of course, major work remains to be done on energy taxes.

Senate Finance Committee is likely to report the general tax reduction/tax reform bill.

September 28/October 2 -- Sometime in this time frame we are likely to see the conference committee on the general tax bill convene. Neither the length nor the outcome of the conference are predictable at this point.

Thursday, September 28 -- Energy tax conference scheduled to convene.

October 2-6 -- Senate is likely to take up the remaining 3 energy conference reports.

Senate will take up tax bill October 2 or 3.

House is likely to receive either a four-part or a five-part energy bill during the week of October 2. The Department of Energy expects the House Rules Committee to consider the energy bill on October 9, with full House consideration on October 10.

October 2-12 -- It is our hope that we can forestall Senate action on the Public Works Appropriations conference report long enough to prevent the enrolled bill from coming to the White House prior to October 2. If we are successful, you will have from October 2 thru October 12 to transmit your veto decision. That time line gives us the following options:

a) Veto the bill early (Oct. 2 or 3), thus forcing an override attempt several days before the House considers the energy bill, thereby allowing key House tempers to cool should we be successful in sustaining the veto;

b) Wait until after the House considers the energy bill (theoretically on the 10th), then transmit the veto message in the hope that we can thus prevent direct linkage (this second option is a very fragile one in that it assumes no slip-page on the calendar for any part of the energy bill in either chamber -- not a likely circumstance). This could put us in a situation wherein you veto the public works bill on the same day that the House is considering the energy bill.

As you can see, the calendar crunch and the mix of issues will make life difficult for the Administration over the next few weeks. It is important that departments, agencies, and units within the EOP understand the need for tight coordination, close cooperation, and quick turnaround time on requests for information and decisions during this crucial three-week period. We urge you to mention this at the Cabinet meeting Monday morning.

DOMESTIC POLICY ISSUES

1. NATIONAL ENERGY ACT

--Natural Gas Pricing: Senate: Our vote counts on possible recommitment motions continue to be encouraging and the only Senators not committed either for or against final passage are Mathias, DeConcini, Eastland, Hayakawa, Brooke, Hatfield, Sasser, and Heinz (according to Senator Byrd). In our judgment, we are still vulnerable though commitments from 3 or 4 of the abovementioned Senators would ensure victory and let us move to the House in a position of strength. The only slippage reported by Senator Byrd involves the two Mississippi Senators. We now carry Senator Eastland as ?- on recommitment and ?- on final passage and Senator Stennis as ?++ on recommitment and ?+ on final passage. You are already familiar with the reason for this shift in their positions.

--Assuming that we defeat all motions to recommit with instructions, the vote on final passage will come at 1:00 p.m. on Wednesday, September 27.

--The task force set up by Speaker O'Neill and headed by Congressman Phil Sharp has begun weekly meetings making assignments on head counts. A complete head count of the House should

be finished by next week. This task force is working closely with White House CL coordinating lobbying efforts. Jack Watson's staff collected letters from Governors who endorse our bill and is sending them to their House delegations. Prospects for the bill in the House, if it passes the Senate, are improved.

--Energy Taxes: It seems likely that the energy tax conference will reconvene next Friday. DOE, DPS, and Treasury have been meeting with joint committee staffs to work out a pared down tax bill which would include residential conservation and solar tax credits, the gas guzzler tax, and possibly either a compromise version of tax credits for oil shale and geothermal or business tax credits for coal conversion, conservation and solar. It is also possible that a small user tax could be included.

--It appears that the conferees will be generally cooperative in limiting the number and size of tax measures considered since the budget resolution places substantial constraints on tax expenditures in FY '79.

--Utility Rate Reform/Conservation: Conference staffers are trying to complete the Report for Utility Rate Reform by the 20th. They are also planning to complete the writing of all provisions of the Conservation Conference Report, with the exception of the Metzenbaum gas-guzzler issue, by that same date. Hopes are that the guzzler ban issue will be resolved at the Conservation Conference meeting on September 28.

--DOE Authorization: While the matter of the Wright Amendment has not been fully resolved, there are indications among some House Members and Energy staffers that House Floor action on the Staggers/Udall DOE Authorization bill could occur on September 28, immediately following the resolution of the Natural Gas issue in the Senate. If the House passes the bill next week, Senate staff plans to start negotiations with House staff on key issues, prior to Senate floor action, with a view to pave the way for a speedy Conference.

2. REORGANIZATION

--Civil Service Reform: The Conferees on Civil Service Reform met on Monday and Thursday this past week and made some progress. The Committee staffs are faced with a mountain of paper in resolving dozens of minor substantive and technical differences. The staffs have been meeting every day and expect to have a good share of that work completed by Monday afternoon, when the Conferees are scheduled to meet again. The Conferees will meet on Tuesday and hopefully will complete work on Wednesday.

--No firm agreements have been reached by either side as yet; however, it appears that the key to reaching agreement centers on a package of issues which includes various elements of the disciplinary and appeals process, the payment of attorneys fees and Title VII (labor-management relations). We have prepared a proposed agreement on the various trade-offs which we are exploring with key Conferees.

--Ribicoff wants to include the EEO issue in the package, but thus far the House side is resisting, preferring to deal with the issue separately. This could be the most troublesome problem. The House bill has the language which is consistent with Reorganization Plan #1 (which transferred responsibility for Federal EEO from the Civil Service Commission to EEOC). Bill Clay will do everything possible to hold the House provision. We will try to facilitate a compromise.

--Both sides have agreed to try to file a conference report by October 2nd.

--Department of Education: Despite predictions to the contrary, the proposed Cabinet-level Department of Education continues to inch closer and closer toward fruition. However, we do not know yet whether or not it will squeeze through the crowded Congressional schedule.

--The Senate has already held several hours of debate and is set to have a final vote on Tuesday or early Wednesday.

--The House leadership, although committed to putting the bill on the calendar, is not anxious to see it come to a vote this year. Some Democrats oppose it on civil rights grounds, others do not want to be caught in the crossfire between NEA and AFT. Nevertheless, early vote counts done by NEA show strong support for the Department in the House.

--In an effort to encourage House consideration of the bill this year, several activities are planned for next week. Until such time that we feel a House vote is assured, we plan to limit your personal involvement. Of course, if we get a green light from the Speaker and a vote is assured, we will ask you to assume a higher profile so as the impending win is credited, appropriately, to you. Most of the activities next week will involve extensive NEA lobbying on the Hill (they plan to have several hundred teachers in town talking to Members of the House); we may schedule a briefing at the White House and, perhaps, some kind of reception or other social function. We may meet with a group of civil rights leaders in an effort to neutralize potential opposition from that quarter.

--A group of advocates of an Education Department, led by Frank Thompson, is set to meet with the Speaker on Wednesday to encourage him to bring the matter to a vote as soon as possible. In addition, NEA will be conveying to the House leadership its view that a vote on this issue is key to their involvement in the November elections.

--Despite all of the foregoing, we are not yet certain that a House vote will be possible and, even if one occurs whether or not time will permit a successful conference committee and final action this year. We are continuing to push, however, because we believe that next year could very well prove to be difficult for this issue for two reasons: 1) the Republicans will likely try to prevent this kind of win going into 1980; and 2) another run through Senator Ribicoff's Governmental Affairs Committee would be very tough. We will have a much better idea of the prognosis for success by the middle to latter part of next week and will advise you at that time.

3. URBAN POLICY

--Labor Intensive Public Works: The Senate vote of 63-21, instructing the Senate Budget conferees to insist on the position of no funding for public works, is being viewed as a test vote on LIPW.

--Even though the budget conferees did finally agree to allow \$700 million for public works, Senator Muskie contends that this \$700 million is only for existing programs. Because there is no actual prohibition in the language of the budget resolution we are taking the position that the \$700 million could go to LIPW. Consequently, even though we realize its prospects are very dim, we are continuing to push for legislation in both Houses.

--DPS, Commerce, Wexler and WHCL have agreed that doing otherwise could be interpreted as indicating a lack of commitment to the Urban Policy.

--Supplementary Fiscal Assistance: Authorization passed the Senate today (Saturday) 44-8. The appropriations strategy will be determined this week.

--Treasury has been working the House, and the bill continues to be on the Speaker's priority list. Of the major components of the Urban Policy this is the best hope.

--Urban Volunteer Program: Now tentatively scheduled for House action the week of October 2. Republicans, including Michel and Goodling are likely to attempt a filibuster by amendment. ACTION reports they are still hopeful of passage.

4. CETA

--Passed the House 284-50 on Friday. Conference action could begin as early as Friday. DOL is hopeful that the conference will produce a bill very close to our original proposal.

5. TAXES

--The Senate Finance Committee met daily last week. Included in the past week's work were:

Defeat of the Roth-Kemp proposal. Roth says he will try again on the floor.

Acceptance of a Bentsen proposal to increase the variation allowed in the asset depreciation range (ADR) from 20 percent to 30 percent to permit a more rapid depreciation of qualifying assets.

A vote to increase the amount of industrial development bonds that State and local governments may issue tax-free -- raising the \$1 million limit to \$2 million, or \$12 million over a six-year period (more than doubling the current \$5 million limit).

Tentative approval of a proposal to disallow deductions for expenses of maintaining business entertainment facilities (yachts, hunting lodges, etc.) and for fees paid to social, athletic and

sporting clubs. The Committee later decided that this was not applicable to the purchase of box seats and season tickets in sports stadiums, theaters, opera houses, coliseums.

Agreement to provide, for a five-year period, special income tax treatment for certain State-chartered corporations. These corporations would be exempt from the corporate income tax.

Adoption of a Curtis' motion to reverse the Treasury regulation concerning refunding of tax-exempt industrial revenue bonds.

Adoption of a 70% exclusion for capital gains beginning November 1, 1978.

Agreement to modify the present Work Incentive Program--welfare recipient tax credit for hiring persons who have been welfare recipients at least 3 months. The credit would be equal to 85% of up to \$6,000 in wages the first year, 80% the second year, and 75% the third year; wages on which the credit is taken would not be deductible.

--The Committee will try to finish its work by Wednesday.

6. TUITION TAX CREDITS

--The Conferees will meet next week to strike a compromise which, in all likelihood, will only provide for a post-secondary credit fairly modest in size. There is no present intention to add a tuition tax credit provision to the tax reduction bill.

7. AVIATION

--Deregulation and Noise: Aviation Regulatory Reform legislation breezed through the House Thursday, September 21. The bill passed on a 363-8 vote.

--The Ertel Amendment, reversing the burden of proof on new air route application from applicant to application's opponents, passed

easily. The amendment is similar to the Administration-backed Kennedy amendment which was approved by the Senate earlier this year. Congressman Oberstar offered an amendment terminating airlines' "mutual aid pacts" which also passed easily. The House also passed an amendment by Congressman McHugh of New York which would guarantee small community service for 10 years and an amendment by Representative Snyder of Kentucky prohibiting the imposition of aviation administrative user fees without Congressional approval.

--The Senate Finance Committee still has not acted on Title III of the Senate noise bill, but Senator Cannon is now pressing Senator Long for approval. As you recall, Long has been holding up further consideration of the bill until the FAA acts on his request for nonstop service between New Orleans and Washington National. Congressmen Bizz Johnson and Glenn Anderson and Senator Cannon have asked for a meeting with you next Tuesday to discuss the deregulation and noise bills.

8. SURFACE TRANSPORTATION

--House consideration of the bill began on Thursday and continued on Friday. The Giaimo amendment which would have reduced the bill's highway authorizations by about \$5.1 billion over 4 years was defeated 238-111.

--OMB describes this bill as the "biggest single budget threat" facing the Administration. Our efforts now are being focused on key interest groups in an effort to encourage them to work on Howard. There is some hope that the highway lobby will see the strong possibility of no bill as sufficient inducement to settle for lower authorizations than are presently in the House bill.

--Secretary Adams and Stu met with Senator Williams last week. He reluctantly agreed to accept a one billion dollar transit cut over four years. This would be followed by a 6% increase for 1983. DOT reports that the Muskie-Proxmire effort to strike the Brooke amendment is likely to succeed. Scheduling for the transit bill in the Senate is still uncertain.

9. HOSPITAL COST CONTAINMENT

--Thursday, September 23, the Senate may begin debate on hospital cost containment. H.R. 5285, reported August 11 by the Senate Finance Committee (Long) is the vehicle for cost containment debate in the Senate.

--H.R. 5285 is a minor tariff bill reported by the Finance Committee with Senator Talmadge's Medicare-Medicaid reform amendments attached. Senator Kennedy will offer the Administration's cost containment bill approved by the Human Resources Committee in August 1977 as an amendment to H.R. 5285. This is not expected to carry and the vote will then occur on an amendment by Senator Nelson to trigger application of cost containment if voluntary efforts fail.

--HEW, DPS, and Wexler are working with outside groups to gain support for the Kennedy-Nelson approaches.

--As I have reported to you, I am chairing a large task force consisting of all White House offices and some outside interest groups. We will be meeting daily until the Senate votes.

10. LABOR LAW REFORM

--Senator Williams has still not called a mark-up of a new "bare bones" bill and it is not certain at this point whether he will. Even if we get a bill reported by October 1, it appears very unlikely that it will ever get to the floor.

11. HUMPHREY-HAWKINS

--DOL reports that we now have 60 hard votes for cloture with 12 still undecided. The compromise amendments have all been worked out. Senator Byrd -- while not putting the bill on his "must" list -- has said that he wants to do this for Muriel Humphrey. We do not know when the bill will be called up but we do know that it will be the subject of various amendments to postpone the 1979 minimum wage increase and to establish a youth subminimum wage.

12. ENDANGERED SPECIES ACT AMENDMENTS

--The full House Merchant Marine and Fisheries Committee reported the subcommittee bill out largely unaltered on September 19, although a number of "technical" improvements were made by the staff, largely at the Administration's request. Chairman Jack Murphy hopes for floor action next week.

--WH staff is holding an Administration strategy session on Monday in preparation for floor action.

13. ALASKA NATIONAL INTEREST LANDS CONSERVATION ACT

--The Administration's commitment to protect the Alaska lands administratively if no bill is passed before the December 18, 1978, statutory deadline has inspired Senator Ted Stevens to publicly push for getting a bill out of the Senate this session, although the lateness probably will prevent action beyond committee action this year. Privately, he has told CL that no bill will reach the floor this year.

14. OMNIBUS MINORITY SMALL BUSINESS BILL

--Scheduled to go to conference on Wednesday. The House bill supported by Blacks, Hispanics and other ethnic minorities presumes 8(a) set aside eligibility for minorities. The Senate bill provides for a case-by-case review in order to determine social and economic disadvantage. Women's groups are pushing to be included in the presumed eligible group or for a change of the Senate language to socially or economically disadvantaged.

--The effect of the changes suggested by womens' groups would be a dilution of the benefits available to ethnic minorities.

--Stu, Anne Wexler, Louie Martin and my staff discussed the situation on Friday. The Black Caucus, as you know, is pushing for an Administration position which would prevent dilution of the 8(a) benefits.

FOREIGN POLICY ISSUES1. FY '79 FOREIGN AID APPROPRIATION BILL

--The Senate passed the Foreign Aid Appropriation Bill Friday night by a vote of 39 to 22 after refusing to add restrictions and rejecting cuts in funding levels. The Senate version adds \$175 million to the House version and \$1.8 billion for the Witteveen Facility. The Senate also:

- Defeated a Harry Byrd 2% across-the-board cut by a vote of 40 to 30.
- By a vote of 31 to 30, refused to add 'indirect' restrictions on Vietnam.
- By a 32 to 30 vote defeated 'indirect' restrictions on Cuba.
- By a vote of 34-21 declined to cut economic support for Zambia.
- Refused to cut the IDA and ADB funds by \$170 million.
- Retained \$90 million in aid to Syria.
- Loosened restrictions on U.S. aid to Mozambique and Angola by allowing aid if the President determines that it enhances U.S. national security.
- Cut \$150,000 in military aid in Nicaragua and made an additional \$6 million in aid contingent on Presidential determination that Nicaragua was moving toward democratization.
- Refused by a vote of 47-18 to cut Witteveen to \$1.3 billion.
- Agreed with a House-passed amendment to prohibit use of Peace Corps funds for abortions for volunteers.

--Senator Inouye, as well as opponents, was surprised by the success of the bill. The bill should emerge with most of the funding levels we have sought and free of restrictions on countries and commodities which we had anticipated. This is a considerable victory in a cost-cutting climate. The Senate success clearly was helped by the results of Camp David. The last hurdle, and a difficult one, will be passing the conference report on the House floor.

2. CONCURRENT RESOLUTION ON CAMP DAVID

--After consulting with the State Department and the White House, the House International Relations Committee passed on September 20 and brought immediately to the floor, a concurrent resolution praising the outcome of Camp David. The Senate Foreign Relations Committee approved the same text September 21.

--In its operative section the resolution commends you for your leadership and endorses your efforts to gain the support of other Middle East leaders. It also praises President Sadat and Prime Minister Begin. It accepts the Camp David framework agreements as the basis for peace treaties, and calls on the United States to continue to pursue further direct peace talks to promote a comprehensive settlement among all parties to the conflict.

--The resolution is a balanced, although somewhat prosaic, endorsement of the Middle East initiative. Its purpose is to demonstrate formally that Congress is fully behind the Camp David outcome.

3. ANTI-TERRORISM BILL

--An ad hoc committee on the HIRC will meet on Monday to wrestle with the definitions section of the Anti-terrorism Bill.

--The State Department expects the full HIRC to make another effort to mark up this legislation sometime next week, but now believes it is unlikely that all of the questions will be resolved in time to assure passage of the Anti-terrorism Bill before adjournment.

4. DEFENSE AUTHORIZATION AND APPROPRIATIONS BILLS

--The new DOD authorization bill is scheduled for Senate floor action on Tuesday. DOD expects both Tower and Proxmire to offer major amendments. Tower is proposing an \$11.1 billion Navy shipbuilding add-on for two frigates and a LHA while Proxmire continues to fight for disallowal of Navy shipbuilding claims.

--House floor action follows on Wednesday. Sam Stratton and Tom Downey also plan to attack the shipbuilding settlement. Both efforts are expected to fail. Conference items have already been agreed to, and if no unforeseen amendments are

tacked on either bill we should have a new bill by the end of the week. With the new fiscal year just eight days away, George Mahon plans to introduce a continuing resolution on the House floor on Tuesday to allow continued funding until the Congress completes action on the bill.

5. TRADE ISSUES

--Sugar Bill: The sugar bill originally scheduled for House floor action Friday was again delayed. Trade Subcommittee Chairman Vanik feels that the Administration should go with the 15¢ version of the bill in the House. Congressmen Mikva, Simon, and Stockman have joined with as many as 150 other Members in support of a measure to reduce the price to 12¢. This effort provides a degree of pressure to discourage efforts by the House or conference committee to settle for any figure higher than 15¢.

--Secretary Bergland is sending a letter to all Members of the House the first part of next week stating USDA's firm commitment to a price level no more than 15¢ and for no escalator.

--Vanik has assured USDA that he is prepared to bargain hard for the 15¢ level in conference.

--Beef Import Quotas: In private conversations, the House leadership has discussed scheduling the beef import bill for action next week. We are still seeking sponsors for the Administration's amendments to move the import floor from 1.2 billion pounds to 1.3 and to restore your authority to suspend the quotas. USDA has asked Congressman Sam Gibbons (D-Fla) and is awaiting his reply.

--Tin: The House International Relations Committee is attempting to get its legislation on the floor authorizing a contribution of 5 thousand tons of tin to the International Buffer Stock. Likely to be included in this bill is an acquisition of copper for the U.S. stockpile and establishment of a new stockpile policy.

--In the Senate, negotiations are underway among key Senators in an attempt to work out a package and to bring similar legislation to the floor. The Senate has insisted that any international contribution of tin be subject to appropriations.

MISCELLANEOUS

--Senator Leahy has told us that he is very anxious to play a leadership role in the Senate on a Public Works veto override. Senator Nelson has also indicated a strong willingness to participate. Both have done some preparation themselves and have asked for additional information.

--Senator Stafford will be writing to you shortly about the Interparliamentary Union (IPU). He has an interest in inviting the IPU to have one of its meetings in the U.S. As you know, he is one of our strongest Republican supporters.

--Some Democratic Members of Congress are extremely concerned about the defeats of Congressman Fraser of Minnesota and Governor Dukakis of Massachusetts. The problems of taxes, abortion, and government spending seem to be a continuing theme that they hear back in their districts. The results of these primaries have made many Members exceedingly anxious to get back to their districts and, therefore, have not been focusing on the legislation before them.

FLOOR ACTIVITIES, WEEK OF SEPTEMBER 25

House

Monday

Suspensions:

1. HR 13688, Federal Information Centers Act
2. HR 13767, Interagency Motor Vehicles Replacement Cost Authorizations
3. S 1265, Amend Regulations for Records Transferred to GSA Custody
4. HR 11870, Tourism Authorization
5. HR 12162, Rail Public Counsel Authorization
6. HR 12370, Health Services Amendments
7. HR 13655, Health Maintenance Organization Amendments of 1978
8. HR 17584, Health Services Research, Statistics and Technology
9. HJ Res 923, International Petroleum Exposition
10. HR 9486, Tin Buffer Stock Authorization
11. HR 13418, Small Business Act Amendments
12. HR 13597, Solar Collectors for RHOB
13. S 1029, Smithsonian Museum Support Facilities Authorization
14. HR 8533, Tax Status of Certain State-Sanctioned Bingos Operated by Tax Exempt Organizations
15. HR 13488, Foreign Earned Income Act of 1978
16. HR 12264, Wisconsin Wilderness Lands Designation
17. HR 9333, Hydroelectric Powerplants Authorizations
18. HR 13069, Prohibit Rate Discrimination by Southwestern Power Administration
19. HR 13356, Foreign Investments in Farmland Study
20. HR 10584, Agriculture Trade Act
21. HR 10661, Marine Protection Research and Sanctuaries Authorization
22. HR 17603, Great Lakes Pilotage Act Amendments
23. HR 11861, Navy-Maritime Advisory Board
24. HR 13377, Migratory Bird Stamp Amendments
25. HR 13397, Anadromous Fish Conservation Act Amendments

Tuesday

Suspensions:

1. S 274, Prohibit Union Organization in Armed Forces
2. HR 9158, Tribally Controlled Community Colleges
3. HR 12347, Biomedical Research and Training Amendments
4. HR 12728, Susan B. Anthony Dollar Coin
5. HR 11007, Provide Resolution of Disputed Contracts Awarded by Executive Agencies
6. HR 9705, US Code, Title 28 Amendments, for Special Prosecutor
7. HR 7679, US Code, Title 28 Amendments, re Diplomatic Immunity
8. HR 12509, Immigration and Nationality Act Amendments

Tuesday (Cont.)

Conference Report on HR 3815, Federal Trade Commission Amendments

Conference Report on HR 13125, Agriculture Appropriations, FY 79

Conference Report on HR 12934, State-Justice-Commerce
Appropriations, FY 79

Wednesday, Thursday and Friday

HR 1, Ethics in Government Act

HR 14042, DOD Authorization, FY 79

HR 13471, Financial Institutions Regulatory Act of 1978

HR 12355, Nuclear Regulatory Commission Authorization

HR 10909, Clinical Laboratory Improvement Act

HR 11488, Public Health Services Planning Amendments

HR 11922, Domestic Volunteer Service Amendments

HR 12511, Child Nutrition Amendments of 1978

Senate

The Senate schedule announced Saturday morning was as follows:

- o Saturday, Sept. 23: Supplementary Fiscal Assistance

Possible Dole motion to recommit
natural gas bill.

- o Monday, Sept. 25 - The Senate will continue on the
Wednesday, Sept. 27 "two-track" system until the
final natural gas vote which is
set for 1:00 p.m. Wednesday.

Items on the second track are:
Labor/HEW appropriations, complete
consideration of the Department of
Education, Defense authorization and
mass transit.

- o Senator Byrd has placed ERA on the calendar, to be brought up at any time.
- o We are now well into the period of intense frustration that occurs in the Senate every two years at the end of a Congress. Constituent groups and Senators are frantically attempting to get their bills scheduled while the more conservative Republicans are taking advantage of every delay possible under the Senate rules to prevent consideration of anything they oppose.
- o The most intense pressure is occurring on behalf of the Omnibus Parks bill, the ERA extension, Labor Intensive Public Works, Humphrey-Hawkins and the Alaska Lands bill. The outside proponents of these bills tend to forget the conservative Republicans are the cause of their frustration, and instead tend to blame their allies on the Hill and in the White House for the delays.
- o In every case, the Administration should not make Senator Byrd's job tougher than it already is by placing all the responsibility on him. Those who ask us to pressure Robert Byrd for a scheduling decision should be told that "he will schedule all the bills if the Republicans would just let him." But with the current state of Senate rules, and the brief time remaining, one or two Republicans can prevent a bill from being scheduled. If these groups want their bills scheduled, they should convince the Republicans to subscribe to a time agreement.
- o At this stage, all requests to the Majority Leader for scheduling decisions -- except those made by you or the Vice President -- should be coordinated through my office. I have transmitted this request to Agency CL people; you might want to mention it at the Cabinet meeting. We must not be perceived by Senator Byrd as another one of the horde of petitioners outside his office.

PRESIDENT JIMMY CARTER
INTERNATIONAL MONETARY FUND
WASHINGTON, D.C.
MONDAY, SEPTEMBER 25, 1978

MR. CHAIRMAN, ... MANAGING-DIRECTOR DELAROSIERE, ... PRESIDENT McNAMARA, ... GOVERNORS OF THE FUND AND BANK, ... AND DISTINGUISHED VISITORS.

ON BEHALF OF THE AMERICAN PEOPLE I WANT TO WELCOME YOU ONCE AGAIN TO WASHINGTON FOR YOUR 33RD ANNUAL MEETING.

WE MEET AS A GROUP DEDICATED TO THE CAUSE OF INTERNATIONAL COOPERATION.

(-OVER-) (IN THE POLITICAL FIELD....)

2

IN THE POLITICAL FIELD, YOU AND I SHARE THE BELIEF THAT COOPERATION CAN LEAD TO PEACE.

WE HAVE LEARNED THAT LESSON ONCE AGAIN IN THE LAST FEW DAYS.

I KNOW THAT YOU WILL JOIN ME IN SALUTING THE STATESMANSHIP AND COURAGE OF PRESIDENT ANWAR SADAT AND PRIME MINISTER MENACHIM BEGIN.

IN THE ECONOMIC FIELD, TOO, COOPERATION BRINGS LARGE BENEFITS. THREE DECADES OF EXISTENCE OF THE FUND AND BANK HAVE BROUGHT PROGRESS AND A BETTER LIFE FOR THE PEOPLE OF THE WORLD.

LIKE YOU, I WANT TO BUILD ON THAT RECORD -- TO ACHIEVE STILL FURTHER ECONOMIC COOPERATION.

(=NEW CARD=) (SINCE YOUR MEETING HERE....)

**Electrostatic Copy Made
for Preservation Purposes**

3

SINCE YOUR MEETING HERE LAST YEAR, OUR COUNTRIES, ACTING TOGETHER, HAVE MADE TANGIBLE PROGRESS ON WORLD ECONOMIC PROBLEMS.

THE ISSUES THAT REMAIN ARE DIFFICULT, ... BUT THEY ARE NOT INSOLUBLE.

YOU ARE THE ECONOMIC LEADERS OF THE WORLD.

THE TASK BEFORE US IS TO CONSOLIDATE PAST GAINS AND THEN TO PUSH AHEAD -- IN WAYS THAT WILL FOSTER ECONOMIC GROWTH IN BOTH DEVELOPING AND INDUSTRIAL NATIONS.

OUR GOAL IS TO ACHIEVE PROGRESS FOR ALL PEOPLES.

(= OVER =) (THE BASIC STRATEGY HAS BEEN.....)

THE BASIC STRATEGY HAS BEEN AGREED.

IN MEXICO CITY AT THE I.M.F. INTERIM COMMITTEE, AGREEMENT WAS
REACHED ON THE GENERAL DIRECTIONS THAT ECONOMIC POLICY SHOULD TAKE.

PROGRESS HAS BEEN MADE.

THE OUTLOOK FOR IMPROVEMENT IS GOOD.

WE MUST NOT FALTER.

A CONTRIBUTION TO THIS STRATEGY IS NEEDED FROM EVERY COUNTRY
REPRESENTED HERE.

IN THIS EFFORT THE UNITED STATES HAS A MAJOR RESPONSIBILITY.

(=NEW CARD=) (TWO MONTHS AGO,...)

5

TWO MONTHS AGO, AT BONN, I MADE SPECIFIC PROMISES TO OUR MAJOR
TRADING PARTNERS ABOUT THE ACTIONS THAT MY COUNTRY WOULD TAKE TO THIS END:

I PLEDGED THAT THE UNITED STATES WOULD FIGHT INFLATION,...REDUCE OIL
IMPORTS,...AND EXPAND EXPORTS.

LET THERE BE NO DOUBT ABOUT HOW SERIOUSLY I TAKE THESE PLEDGES.

TAKEN TOGETHER, THEY ENCOMPASS THE MOST URGENT PRIORITIES OF MY
ADMINISTRATION,...AND THE ONES I AM MOST FIRMLY DETERMINED TO FULFILL.

I HAVE COME HERE TODAY TO UNDERLINE THAT DETERMINATION AND DESCRIBE
THE NEXT STEPS WE WILL TAKE:

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(=OVER=) (-- I WILL SOON ANNOUNCE.....)

6

-- I WILL SOON ANNOUNCE THE FIRST PHASE OF A LONG-TERM PROGRAM TO
EXPAND AMERICAN EXPORTS.

REMOVING DISINCENTIVES TO EXPORTS, AND ENCOURAGING EXPORTS ARE
OVERRIDING TASKS FOR MY ADMINISTRATION.

-- I HAVE INTENSIFIED MY EFFORTS TO OBTAIN LEGISLATION THAT WILL
CURTAIN U.S. IMPORTS OF OIL.

THE U.S. SENATE IS SCHEDULED TO VOTE THE DAY AFTER TOMORROW ON
THE KEY BILL -- NATURAL GAS REGULATION AND PRICING.

THIS IS EXPECTED TO SAVE 1.4 MILLION BARRELS OF IMPORTED OIL
PER DAY BY 1985.

(=NEW CARD=) (I AM CONFIDENT THAT THE.....)

I AM CONFIDENT THAT THE SENATE AND THEN THE HOUSE OF
REPRESENTATIVES WILL DO THEIR DUTY TO OUR NATION BY APPROVING THIS BILL.
 I HOPE TO HAVE ^{OTHER BILLS COMPOSING} A STRONG PACKAGE OF ENERGY LEGISLATION ENACTED
BEFORE THE CONGRESS ADJOURNS, PROBABLY LESS THAN A MONTH FROM NOW.
THIS IS ESSENTIAL TO A SOUND DOLLAR.

-- I INTEND VERY SHORTLY TO ANNOUNCE A FURTHER SERIES OF IMPORTANT
AND SPECIFIC NEW MEASURES TO STRENGTHEN OUR FIGHT AGAINST INFLATION.
THESE NEXT STEPS WILL NOT BE THE END OF OUR EFFORT.

PART OF SUSTAINED EFFORT.
 (=OVER=) (EVERY NATION REPRESENTED IN THIS.....)

EVERY NATION REPRESENTED IN THIS ROOM UNDERSTANDS HOW DIFFICULT
 THE STRUGGLE AGAINST INFLATION IS AND WHAT SUSTAINED COMMITMENT IT DEMANDS.

MY ADMINISTRATION WILL CONTINUE THAT STRUGGLE ON A WIDE VARIETY OF
FRONTS UNTIL WE SUCCEED.

THERE WILL BE OBSTACLES AND OBJECTIONS FROM SPECIAL INTEREST
GROUPS ALONG THE WAY.

BUT I WILL NOT SHRINK FROM THE HARD DECISIONS AND PERSISTENT
EFFORT THAT ARE NEEDED.

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Type Specimens of Microfilm Reproductions

(=NEW CARD=) (I AM DETERMINED TO)

I AM DETERMINED TO MAINTAIN A SOUND DOLLAR.

THIS IS OF PRIMARY IMPORTANCE TO US,....AS IT IS TO YOU.

WE RECOGNIZE THAT OUR CURRENCY PLAYS AN INTERNATIONAL ROLE, AND
 WE ACCEPT THE RESPONSIBILITIES THAT THIS INVOLVES.

OUR COUNTRIES ARE ACTING TO MEET THEIR RESPONSIBILITIES TO THE
SYSTEM, CONSISTENT WITH THE DIRECTIONS SET BY THE I.M.F. IN MEXICO
 AND AS WAS PLEGDED AT THE BONN SUMMIT.

THE UNITED STATES WILL DO THE SAME.

(=OVER=) (THROUGH PROGRAMS SUCH AS.....)

THROUGH PROGRAMS SUCH AS I HAVE DESCRIBED, WE WILL ACHIEVE THE STRONG U.S. ECONOMY AND NON-INFLATIONARY U.S. GROWTH THAT MUST UNDERLIE A SOUND DOLLAR AND A STABLE INTERNATIONAL MONETARY SYSTEM.

THE OUTLOOK FOR PROGRESS IS GOOD. ^{SOME OF THE CAUSES OF OUR} ~~MANY~~ ^{LARGE TRADE DEFICIT ARE} ^{ALREADY BEING REMOVED.}

OUR CURRENT ACCOUNT POSITION SHOULD IMPROVE SIGNIFICANTLY NEXT YEAR.

THE UNITED STATES WILL REMAIN AN OPEN, VIGOROUS ECONOMY, AND AN ATTRACTIVE PLACE TO INVEST.

OTHER STEPS ARE ALSO REQUIRED TO ACHIEVE THE ECONOMIC PROGRESS WE ALL SEEK.

(=NEW CARD=) (IN THESE STEPS, THE I.M.F.)

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11

IN THESE STEPS, THE I.M.F. AND THE WORLD BANK HAVE A VITAL ROLE TO PLAY.

THESE TWO INSTITUTIONS ARE THE CORE AND SYMBOL OF THE INTERNATIONAL ECONOMIC ORDER THAT WAS BUILT AFTER WORLD WAR II.

THEY HAVE SHOWN A HIGH CAPACITY TO ADAPT TO NEW NEEDS.

STRENGTHENING AND ENLARGING THEM IS A PRIME GOAL OF U.S. POLICY.

THE UNITED STATES IS FIRMLY COMMITTED TO A STRONG INTERNATIONAL MONETARY FUND, EXERCISING EFFECTIVE SURVEILLANCE OVER THE SYSTEM AND WITH ADEQUATE RESOURCES TO MEET OFFICIAL FINANCING NEEDS.

(=OVER=) (THE UNITED STATES WILL SUPPORT....)

12

THE UNITED STATES WILL SUPPORT AN INCREASE IN I.M.F. QUOTAS AND A NEW ALLOCATION OF SPECIAL DRAWING RIGHTS.

I AM PLEASED THAT LEGISLATIVE CONSIDERATION OF U.S. PARTICIPATION IN THE SUPPLEMENTARY FINANCING FACILITY IS NEARING COMPLETION.

I EXPECT FINAL ACTION TO BE TAKEN SHORTLY.

I TRUST THAT OUR EUROPEAN FRIENDS WILL FASHION THE PROPOSED EUROPEAN MONETARY ARRANGEMENTS IN A WAY THAT WILL ALSO STRENGTHEN THE INTERNATIONAL MONETARY SYSTEM -- AND THAT WILL FACILITATE GROWTH, TRADE, AND INVESTMENT, ... AND THE CENTRAL ROLE OF THE I.M.F.

CURRENT EUROPEAN EFFORTS TO THESE ENDS ARE A LOGICAL STEP TOWARD THE GREATER EUROPEAN INTEGRATION THE UNITED STATES HAS LONG SUPPORTED.

(=NEW CARD=) (WE ALSO SUPPORT.....)

WE ALSO SUPPORT PROPOSALS TO ENLARGE THE RESOURCES OF THE WORLD BANK AND ITS SOFT-LOAN AFFILIATE, THE INTERNATIONAL DEVELOPMENT ASSOCIATION, AS PLEDGED AT THE BONN SUMMIT.

EXPANDED HELP TO DEVELOPING COUNTRIES CONTRIBUTES TO THE HEALTHY WORLD ECONOMY AND TO WORLD PEACE.

LAST WEEK THE U.S. SENATE, AS THE HOUSE OF REPRESENTATIVES HAD EARLIER, MET OUR NATION'S OBLIGATIONS FOR BOTH MULTILATERAL AND BILATERAL AID.

I WILL SEEK NEXT YEAR TO CONTINUE THIS COMMITMENT, AS PART OF A GROWING INTERNATIONAL EFFORT TO ELIMINATE THE WORST ASPECTS OF HUMAN POVERTY.

(=OVER=) (THE U.S. GOVERNOR FOR THE....)

THE U.S. GOVERNOR FOR THE FUND AND BANK, SECRETARY OF THE TREASURY MIKE BLUMENTHAL, WILL OUTLINE OUR POLICIES IN MORE DETAIL WHEN HE ADDRESSES YOUR SESSION TOMORROW.

YOU ARE GATHERED IN WASHINGTON TO ADDRESS FORMIDABLE CHALLENGES IN BOTH THE MONETARY AND DEVELOPMENT FIELDS.

THE FUTURE OF ALL PEOPLES, IN BOTH DEVELOPING AND DEVELOPED COUNTRIES, DEPENDS UPON THE OUTCOME.

I REITERATE MY NATION'S COMMITMENT TO THE COMMON EFFORT THAT IS REQUIRED.

I AM CONFIDENT THIS EFFORT WILL SUCCEED.

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For Preservation Purpose

THE WHITE HOUSE
WASHINGTON

9/25/78

The Vice President
Hamilton Jordan
Stu Eizenstat
Tim Kraft
Bob Lipshutz
Frank Moore
Jody Powell
Jerry Rafshoon
Jack Watson
Anne Wexler
Jim McIntyre
Hugh Carter

Re: Cabinet Summaries

The attached were returned in the
President's outbox today and are
forwarded to you for your information.

Rick Hutcheson

EYES ONLY

ACTION

FYI

*return orig
to me to
read*

FOR STAFFING

FOR INFORMATION

FROM PRESIDENT'S OUTBOX

LOG IN/TO PRESIDENT TODAY

IMMEDIATE TURNAROUND

NO DEADLINE

LAST DAY FOR ACTION

ADMIN CONFIDENTIAL

CONFIDENTIAL

SECRET

EYES ONLY

VICE PRESIDENT

JORDAN

EIZENSTAT

KRAFT

LIPSHUTZ

MOORE

POWELL

RAFSHOON

WATSON

WEXLER

BRZEZINSKI

MCINTYRE

SCHULTZE

ADAMS

ANDRUS

BELL

BERGLAND

BLUMENTHAL

BROWN

CALIFANO

HARRIS

KREPS

MARSHALL

SCHLESINGER

STRAUSS

VANCE

ARAGON

BUTLER

H. CARTER

CLOUGH

CRUIKSHANK

FALLOWS

FIRST LADY

GAMMILL

HARDEN

HUTCHESON

LINDER

MARTIN

MOE

PETERSON

PETTIGREW

PRESS

SANDERS

VOORDE

WARREN

WISE

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

9
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September 29, 1978

MEMORANDUM FOR THE PRESIDENT

From: Charlie Schultze ^{CLS}

Subject: CEA Weekly Report

Anti-Inflation Policy. You should now have the final decision memorandum on specific details of the anti-inflation program. Bob Strauss' staff, working with CEA and other EOP and Cabinet agencies, is taking charge of coordinating the process of announcing the program and presenting it to the public in the months ahead. My staff is working closely with Bob's to prepare the written materials needed to explain this program to the press and to the public. I am also considering ways to deal with the need to administer this program well. I will be talking about some of the administrative difficulties with several of your advisers next week, and will report to you shortly with suggestions for administration of the program.

Humphrey-Hawkins. My staff, with DPS, has been working closely with Senate sponsors of the bill to ensure that those provisions we find objectionable in Committee versions of the bill can be fixed through floor amendments. Our major objections to the Human Resources Committee version of the bill have been resolved. We still oppose certain provisions introduced by the Banking Committee, and we are working with the Human Resources Committee staff to develop amendments to eliminate or improve those provisions. Floor action on this bill will be extremely close. The full employment coalition clings to opposition to any inflation goal that is written as strongly as the goal introduced by the Banking Committee. In all probability, however, the Senate will be inclined to opt for the toughest possible inflation goal. It is too early to say what the outcome on the floor will be. My staff is monitoring developments closely, however, to ensure that the bill remains acceptable to us should it pass.

Community Services Administration WASHINGTON, D.C. 20506



9

MEMORANDUM TO THE PRESIDENT

September 22, 1978

Attention: Rick Hutcheson, Staff Secretary

FROM: Graciela (Grace) Olivarez, Director
Community Services Administration

SUBJECT: Weekly Report Of Significant Agency Activities
(September 18 - 22, 1978)

National Hispanic Week

The Director served as team leader for the Administration in the National Hispanic Week Town Hall meetings in Albuquerque, San Francisco, El Paso and the District of Columbia. The Community Services Administration (CSA) financed ten recordings of all of the Town Hall meetings. A final report will be developed from these recordings.

VETS

An interagency agreement has been reached between the Department of Labor (DOL) and CSA regarding CSA's Veterans Education and Training Services (VETS) program. Under the agreement, CSA is to receive \$1 million from DOL to fund 11 of the present 27 programs. The projects, which will be administered by CSA's regional offices and monitored by both CSA and DOL, are located in: Salt Lake City, Seattle, Providence, Atlanta, New York City, Portland, Rochester, Chicago, Denver, Minneapolis and Detroit.

CSA Reauthorization Legislation

Formal conference on CSA's reauthorization has been scheduled for Monday, September 25, 1978, at 1:30 p.m. Although there is agreement about most sections of the legislation, there are some differences about the National Advisory Council on Economic Opportunity and the length of the reauthorization.

Small Dam Hydro Power For Poor Communities

The International Science and Technical Institute, Inc., under a CSA contract, has just issued a report on the potential use of small dams to produce power for low-income communities. The report demonstrates that the use of water power to produce energy from small dams has advantages over other methods because the dams already exist throughout the country and the technology to use them has been developed. ~~A copy of the report is attached.~~



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

September 22, 1978

THE ADMINISTRATOR

MEMORANDUM FOR THE PRESIDENT

SUBJECT: WEEKLY STATUS REPORT

This week we announced a series of changes in the way we issue pollution control permits for new factory construction that should save industry time and money. The way we arrived at the new procedures may be even more important than the changes themselves. In the spirit of your March 23 directives on a new approach to regulation, we worked closely with the affected industries for over a year. We think it shows that in this Administration, the government listens.

Wilbur Dodge, environmental control manager for Caterpillar Tractor in Peoria, wrote us to warn that with the growing number of environmental permits required by old and new laws, the process of getting all the paperwork and permits threatened to make new industrial construction very uncertain. As he told the Washington Post Wednesday, "We were apprehensive that we would get a large construction permit, then along the way find that we couldn't get a permit for something else, like water disposal, or air quality, and we would have to scrap the entire project at a huge loss."

We thought what he said made sense and asked him, along with representatives from several industries and public interest groups, to sit down with our people to try to find a simpler way. We and Caterpillar think we succeeded.

In brief, the new system will start with one person at each of our regional offices assigned to expedite all phases of a company request for permits. Within thirty days, we will have to say whether applications are complete. We will keep track of the various permit applications centrally, so that construction decisions are not needlessly held up because one part of the permit process is lagging. While the requirements of seven different laws may preclude granting a single permit for air, water, toxic substances, etc., we do think we can develop a single application for all permits.

These moves are not only important in themselves. Obviously, any time we can save time, money, and consequently jobs without danger to the environment, we should and will do so. But the way we got there, emphasized by the publicity we got on our working with industry, may help in a small way to counter the argument that this Agency and others regulate without sensitivity to economic impacts.

A handwritten signature in dark ink, appearing to read "Barbara Blum".

Barbara Blum
Acting Administrator

THE SPECIAL REPRESENTATIVE FOR
TRADE NEGOTIATIONS
WASHINGTON

September 22, 1978

MEMORANDUM TO THE PRESIDENT

FROM: Robert S. Strauss *RS*

SUBJECT: Weekly Summary

I have previously advised you of the very negative attitude we have encountered in the House and Senate with respect to the question of extending the authority to waive countervailing duties after January 3, 1979. The entire European Community has been up in arms since they finally realized that the representations we had been making to them were indeed real. I have received frantic messages from the Commission as well as from a number of capitals, including Bonn.

After the issue reached the boiling point on Monday, I called Speaker O'Neill, and suggested he schedule a bi-partisan leadership meeting, where I explained the problem and the high risk of destroying the MTN if we fail to act. We have devised a temporary extension which must be acted upon very quickly before Congress adjourns. If enacted, it would get us past the present crisis, and give us time to negotiate a satisfactory agreement on subsidies and countervailing duties. I think we might get the bill passed this session, but in so doing, must risk protectionist amendments. We have on board the leadership of the Ways and Means Committee and Ribicoff from the Senate who are skeptical but willing to help. In the meantime, I am now trying to get sufficient agricultural and industrial support to give it a chance. You will be kept advised.

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

September 23, 1978

MEMORANDUM FOR THE PRESIDENT

From: Charlie Schultze *CLS*

Subject: CEA Weekly Report

Anti-Inflation Policy. I am drafting a decision memo on anti-inflation options for circulation to your economic advisers on Monday. I would hope to have the final memo to you by c.o.b. Monday. I also have asked my staff to evaluate quietly the possibility of including one further element in the program. That would be a proposal, for Congressional consideration next year, of a "real-wage insurance program" operated through the tax system. This program would guarantee to those groups of workers who meet our wage standard that they will be protected against inflation rates greater than the wage standard. If inflation exceeded 7 percent next year, those individuals would receive a tax rebate equal to the percent difference between the actual inflation rate and 7 percent, multiplied by their income (up to \$20,000). Such a program would provide a major incentive to cooperate with the standards and take away labor's argument that we were asking their members to take a big risk. If most workers cooperated, the inflation rate is very likely to be below 7 percent, and there would be no budget cost. If few cooperated, inflation might be more than 7 percent, but the rebate would have to be paid to only a few people. The major budgetary risk is the possibility of a food price explosion or very low productivity performance, such that even with wage moderation, inflation stays high. On the basis of past relationships between wages and prices we are calculating the probability of various budgetary payoffs. Many questions remain, however, and I am not prepared at this time to recommend taking the step. Barry Bosworth has begun to lay the groundwork for administering the wage and price standards program with the help of the staff from the Intergovernmental Affairs branch of OMB.

OECD Meeting. Next week, during the IMF-World Bank annual meeting, I will host a meeting of the seven leading members of the OECD Economic Policy Committee (EPC). This meeting of the so-called "restricted bureau" of the EPC will provide a useful opportunity to discuss with the Germans and the Japanese

the outlook for economic growth and the balance of payments in those two countries. Governments in both nations recently announced actions to stimulate their economies, as you know. I will report to you on the outcome of the meeting.

Tax Legislation. I have met with Mike Blumenthal, Stu and others to discuss the prospects for the tax bill in the Senate and then in Conference. We all feel that your guidance regarding those elements of the bill you can or cannot accept would be extremely valuable at this time, and we are seeking a meeting with you shortly to discuss this matter.

Environmental Regulations. You recently received, and noted in the margin agreement with, a memo from Charles Warren on the relationship between environmental regulations and inflation. I believe that memo was seriously deficient. Stu and I are preparing some material on the subject which we will send you shortly.



Department of Energy
Washington, D.C. 20585

September 22, 1978

MEMORANDUM FOR:

THE PRESIDENT

FROM:

JIM SCHLESINGER *JS*

SUBJECT: Weekly Activity Report
September 16 - September 22, 1978

1. Fire at Strategic Petroleum Reserve Site. At 4:05 (CST) yesterday, fire broke out at the West Hackberry, Louisiana, site of the Strategic Petroleum Reserve (SPR). The accident occurred while workmen were removing piping in the well casing which connects the deep storage cavern with the surface. Two workers were burned, one fatally. The cavern above which the fire occurred contains about seven million barrels of oil; it is expected that about 50,000 barrels will be lost by the time the fire is extinguished, which will probably occur tomorrow. Some oil has leaked from the containment area around the cavern surface into a nearby lake. Coast Guard crews are on the lake to contain and recover the oil, and a professional oil well fire fighting team from Houston has been on the scene since 7 pm last night. The cavern itself is unharmed, as are adjacent caverns.

The overall effect of this accident on the SPR fill schedule is difficult to determine. The direct result will be at least a two-week delay in fill at the West Hackberry site, reducing 1978 fill by at least 3 million barrels. The indirect results, however, are less clear; Governor Edwards is making negative statements about the entire SPR program and could attempt to revoke certain permits previously granted to the program.

It should be noted that while the accident is extremely serious, such accidents do occur with some regularity at oil and gas well drilling sites. We will undertake a full investigation when the fire has been extinguished to determine the adequacy of safety procedures in effect at the time of the accident, and any necessary corrective measures will be taken immediately.

2. Interagency Waste Management Task Force. Good progress is being made in the work of the Interagency Review Group (IRG) on Waste Management which you established in March. The IRG will have a draft report for a 30 day public comment period by the first week in October, and a final report and recommendations to you by mid-November, slightly over a

month behind the original anticipated schedule. This extra time -- which has been agreed to by all agencies and the Domestic Policy Staff -- will ensure full interagency deliberation on key issues to be presented to you, including a general strategy for high-level commercial waste disposal, NRC licensing authority, and provision for away-from-reactor storage.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

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September 23, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: James T. McIntyre, Jr. *Jim*

SUBJECT: Weekly Report

The Department of Education bill is at a critical juncture. While we expect that the Senate will pass the bill overwhelmingly next week, serious obstacles remain in the House. I have prepared a separate memorandum on the status of the bill and the prospects for House passage.

The Inspector General bill passed the Senate Friday night on a unanimous vote. Your letter endorsing the bill and urging the Senate to act was released several hours before the vote, clearly indentifying you with this legislative victory. There will be no conference. We are now planning a signing ceremony consistent with our recent memorandum on your anti-fraud initiatives.

During the past week I addressed the Southern Governors' Conference on the Administration's position on funding formula shifts. I also spoke to the National Symposium on Hispanic Business and Economy in the U.S. at Tempe, Arizona and to business leaders from various parts of Georgia in Atlanta.

While in Phoenix I met with Arizona Governor Bruce Babbitt. We discussed a number of federal-state issues, and he indicated strong support for you and the goals of the Administration.



THE SECRETARY OF THE INTERIOR
WASHINGTON

September 22, 1978

MEMORANDUM TO THE PRESIDENT

From: Secretary of the Interior

Subject: Major Topics for the Week of September 18

Congratulations on your accomplishment. We are all very proud of you.


Under Secretary Jim Joseph will represent me at our Cabinet meeting. I am committed to be in the State of Washington for Congressman Bonker.

There has been no change in the status of the Alaska bill. We are preparing the protective instruments in case they do not pass a bill before December 18.

We are continuing to have trouble with Indian fishing on the Klamath River. The fish migration should be over in two weeks and then we can resolve their problems without the emotions.

Other items are in good shape.

Have a good weekend.


CECIL D. ANDRUS
3



THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D. C. 20410
September 22, 1978

MEMORANDUM FOR: The President
Attention: Rick Hutcheson, Staff Secretary

SUBJECT: Weekly Report of Major Departmental Activities

New Departmental Initiative Seeks to Rejuvenate Neighborhoods Without Displacing the Poor. Under the new Neighborhood Strategy Areas program, 118 cities, towns and counties throughout the nation will receive funds to reverse deterioration in 155 neighborhoods by rehabilitating 37,688 housing units over the next five years. The Section 8 assisted housing funds set aside for this purpose will go to the various local jurisdictions to encourage the greatest possible local participation in housing rehabilitation as a critical step in the revitalization process. Since HUD will pay the difference between what families can afford to pay, not to exceed 25 percent of their income, and the contract rental for the rehabilitated units, many of the current occupants will be able to remain in the neighborhoods even though market rents for the units may increase. The program also will assure closer coordination between a locality's housing and community development activities by focusing other Department programs in the designated Neighborhood Strategy Areas. Other HUD programs will assure that any families displaced by rehabilitation activities within the NSA will receive substantial assistance in relocating. The program fulfills a commitment the Department made to involve mayors and other local officials more fully in the revitalization effort.

Additional Housing for Elderly and Handicapped. The Department will make direct loans of \$567 million under Section 202 to finance construction or substantial rehabilitation of 15,359 housing units for the elderly and 2,243 units for the handicapped in 45 states, the District of Columbia and Puerto Rico. An additional \$17 million in direct loans and rent subsidy funds will produce 488 units of residential housing in 14 states for persons with chronic mental illness in a major effort to encourage deinstitutionalization of the mentally ill.

Innovative Housing Repair Program Helps 500 Rural Families in Maine. Early reports on the Department's innovative rural rehabilitation program in Maine indicate that the HUD grant of \$239,870 leveraged an additional \$652,312 of private sector grants and loans to repair nearly 500 rural properties. Half of those assisted had incomes of less than \$4,700 per year.

Graduated Payment Mortgage Program Proving Popular. The Department's Graduated Payment Mortgage Program, which makes it possible for many families to purchase houses by reducing early-term payments, experienced its largest volume of activity in August. Almost 8,600 applications were received in August, which is one out of every five applications for firm FHA commitments. In anticipation of the program's appeal, especially to younger persons who can reasonably expect their income to increase over the years, the Department has launched a comprehensive mass media communication effort. Consumer information will be distributed by FHA approved lenders, by the 1,800 Boards of Realtors across the country and through supermarkets. Television and radio stations are donating air time for public announcements.

Patricia Roberts Harris
Patricia Roberts Harris



Office of the Attorney General

Washington, D. C. 20530

September 22, 1978

Principal Activities of the Department of Justice for the Week of September 18 through September 22, 1978

1. Meetings and Events

On September 18, the Attorney General met for lunch with Congressman Kastenmeier to discuss legislative strategy on Justice Department bills for the rest of this session and next session. The Attorney General also met with the Judicial Conference of the United States. On the evening of September 21, the Attorney General spoke in Detroit to the Annual Meeting of the Michigan State Bar. On September 22, the Attorney General spoke to the Missouri Bar Association in St. Louis.

2. Omnibus Judgeship Bill

On September 20, House and Senate conferees resolved the remaining differences between the Senate and House-passed versions of the omnibus judgeship legislation. At the meeting on the 20th, the conferees agreed on a compromise to overcome the controversy over the 5th Circuit, which would allow any court of appeals having more than 15 active judges to constitute itself into administrative units and which would allow such a court to perform its en banc function as may be prescribed by the court's own rule. This approach would be available to the 9th Circuit as well as the 5th Circuit.

The Justice Department is taking steps to ensure that all circuit court nominating commissions are ready to operate by the bill's effective date of November 1 and to encourage all uncommitted Senators to use nominating commissions for district court judgeships.

3. Judicial Tenure Act

Senators Nunn and DeConcini and Representatives Rodino and Kastenmeier have met recently on the proposed Judicial Tenure Act, which was passed by the Senate. Although the House will not take up the bill this term, plans were made to take prompt action early in the 96th Congress.

4. Immigration Bill

On September 20, the Senate passed H.R. 12443, the House-passed bill which would provide for a world-wide system of numerical limitations of visa numbers rather than the present hemispheric limitations. In addition, the bill would authorize a joint Legislative and Executive Branch Commission to revise the Immigration and Nationality Act.



DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D. C. 20250

C/

September 22, 1978

MEMORANDUM TO THE PRESIDENT

THROUGH Rick Hutcheson
Staff Secretary

SUBJECT: Weekly Report


MEAT. The number of cattle and calves on feed is up 16 percent from last year. This should keep beef supplies high through the calendar year but may result in tight supplies in 1979.

Pork supplies are expected to be minimally lower during the first quarter of 1979 (two percent) and increase for the balance of the year. However, pork expansion is not expected to offset lower beef production and 1979 supplies of red meat can be expected to be below 1978.

USSR. Reports from our attache indicate a "significant" slowdown in the USSR harvest and a "serious" lag in planting next year's crop. Winter wheat plantings this fall may be as much as 15 percent below last year.

MONEY. Senator Eagleton did a tremendous job on the Ag Appropriations Bill. It was the first time Whitten has been beaten and one of the rare times the Senate has prevailed on nearly all points of contention.

U.S.D.A.'s ten percent overall travel cutback will result in more than a 20 percent cut in administrative travel.


CAROL TUCKER FOREMAN
Acting Secretary

U. S. DEPARTMENT OF LABOR
OFFICE OF THE SECRETARY
WASHINGTON

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September 22, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: SECRETARY OF LABOR, Ray Marshall ^{RM.}

SUBJECT: Major Departmental Activities, September 16-22

Anti-inflation policy. If you decide in favor of the anti-inflation options that have been presented to you, I believe it is important to clarify who will be the primary public spokesman for the program. Also, it should be decided what Cabinet-level group will be responsible for making the basic policy decisions as the program unfolds and working with labor and management to resolve problems as they develop. This issue has not been dealt with in adequate detail up to now.

Meeting scheduled with AFL-CIO anti-inflation group. Yesterday, George Meany called me to suggest a further meeting on inflation policy between the AFL-CIO and the group which I chair, consisting of Charlie Schultze, Bob Strauss, Barry Bosworth and Landon Butler. This meeting will be held next Wednesday afternoon. I consider Meany's call a positive sign.

Danger of expanded railroad strike. For the last two-and-a half months, the Brotherhood of Railways and Airline Clerks (BRAC) has been striking the Norfolk and Western Railroad. We have recently discovered that the Norfolk and Western is receiving \$800,000 a day from a mutual aid pact to which it and many other railroads contribute. The discovery of this pact has prompted BRAC to expand their picketing to some of the other railroads that contribute to this pact and have major interconnections with the N&W. BRAC's action has been upheld by several recent court decisions which make it legally possible for the union to expand the strike beyond the Norfolk and Western. All the legal issues are not yet resolved. However, the possibility exists of having a local labor dispute trigger a significantly expanded railroad strike. I have been following this issue closely for the last several weeks. I have met with union leaders and members of the National Mediation Board. Next week I will be meeting with other affected parties in the growing dispute.



THE SECRETARY OF THE TREASURY
WASHINGTON 20220

F.Y.I.

September 22, 1978

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MEMORANDUM FOR THE PRESIDENT

Subject: Highlights of Treasury Activities

1. TAXES

After a week of loading up the bill with largely unacceptable items in open mark up, the Committee will now try to assemble a package capable of majority support. The Committee will finish its work by the middle of next week. You have my memorandum seeking guidance as to negotiating strategy from here on, and I look forward to an early meeting on this.

2. EPG

After our meeting with you on the anti-inflation program, we refined the several issues still dividing your advisors, and the decision memorandum should reach you (from Charlie Schultze) early next week.

3. THE DOLLAR

The dollar situation remains extremely serious. Foreign exchange market conditions deteriorated further on apprehension over Israeli and Arab statements following the Camp David Summit. In the absence of evidence that the U.S. payments position is improving, and midst growing skepticism regarding U.S. ability to contain inflation, speculative selling of dollars continued. The dollar depreciated this week to its lowest levels since August 15 (prior to your statement of concern over foreign exchange market developments). Progress on the natural gas bill has had little effect. When the Federal Reserve raised the discount rate by 1/4 point, to 8 percent on Friday, the dollar actually fell, with the markets feeling this to be too feeble a response to high inflation and above target growth of M_1 and M_2 . Treasury and the Federal Reserve have intervened modestly in DM and Swiss francs.

4. IMF/IBRD ANNUAL MEETING

Your decision to appear at the meeting has generated much excitement and favorable comment among the delegates.

Unless you disagree, I plan to announce Sunday the Administration's agreement to an increase in quotas of 40-50 percent and an SDR allocation of \$3-4 billion per year for a 3-year period at the Interim Committee meeting.

5. JAPANESE TELEVISION SETS

Thursday we publicly announced Treasury will assess dumping duties on Japanese televisions imported between June 1973 and January 1975, and will move as rapidly as administratively feasible to eliminate the rest of the assessment backlog. The largest share of assessments will fall on the Japanese manufacturers' subsidiaries, and a few large retailers such as Sears, Montgomery Ward, and J.C. Penney.

6. CABINET MEETING

Owing to the dollar problem, I must spend full time next week at the IMF/IBRD Annual Meeting, and have therefore asked Bob Carswell to attend the Cabinet Meeting on Monday.

Mike

W. Michael Blumenthal

THE SECRETARY OF COMMERCE
WASHINGTON, D.C. 20230

September 22, 1978

FYI

C
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REPORT TO THE PRESIDENT

In early October, I will lead the largest U.S. trade delegation in the history of the Commerce Department to Japan to promote U.S. sales to Japan and Japanese investment in the U.S. The group will consist of more than 100 U.S. business and government executives, headed by Mark Shepherd, Jr., chairman of Texas Instruments, Inc. The group will be divided into five product-promotion units representing advanced scientific equipment, modern management equipment, machine tools and metalworking equipment, food processing and packaging equipment, and original equipment auto parts; and an invest-in-the-U.S. group. Among others, I will be meeting with Prime Minister Fukuda and the Ministers of International Trade and Industry, Forestry and Fisheries, External Economic Affairs, and Foreign Affairs. This endeavor is a follow-on to the Japanese import mission with whom you met last March.

Responsibility for operating a Government-wide anti-inflation speaker's bureau has been accepted by the Department to coordinate the effective dissemination of information about the Administration's effort to combat inflation. The program we are planning in coordination with Bob Strauss' office will include a promotional campaign, speeches and presentations over the next year by officials from throughout the Government. An executive director is to be named in the next week or two and the bureau will be operational by the time the guidelines are issued. Bob Strauss and I will initiate the program to ensure it receives appropriate attention.


Juanita M. Kreps

4/25- Energy - Tax - Civ Service -
MEast arms - Airline Devel - Hosp Cost - Turkey

THE WHITE HOUSE
WASHINGTON

Cabinet Mtg 9-25-78

- > Cy = Sinai + WBk
- > Ed Testing programs - Gov Hunt
- > Energy - Sen & House - 1 pm wed.
- > Tax bill 556 H160
- > Public Works veto
- > Hosp Cost Containment
- > Highway bill - Senate ok
- > Judgeship bill
- > Sugar
- > Civil Service
- > Airline devel
- > Alaska lands
- > Tuition tax credits
- > Senate Sched → Frank - Name Repubs
- > '78 Elections
- > Combined Federal Campaign (1000)
- > Do Ed
- > Youth Employment (VP)

9/25/78

cabinet meeting

THE WHITE HOUSE
WASHINGTON

Namibia 7500 UN + date → 4/79
Rhodesia

THE WHITE HOUSE
WASHINGTON

9-25-78

Breakfast

Jordan - SA. Syria - PLO

Lebanon

Diaspora - Cy @ U.N.

Sinai - E.I. Its - Ltr → Sadat

SAAT

CTB - Syria. Negot } Early
November

Media effort re Palestinian/Arabs

Fritz lunch - Minn. Strausz - Inc Tax -
Sinai - Diaspora



THE SECRETARY OF TRANSPORTATION

WASHINGTON, D.C. 20590

September 22, 1978

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MEMORANDUM TO THE PRESIDENT

ATTENTION: Rick Hutcheson

FROM: Brock Adams

SUBJECT: Significant Issues for the Week of September 18

A large, handwritten signature in black ink, which appears to be "Brock Adams", is written over the "ATTENTION" and "FROM" lines of the memorandum.

Airline Regulatory Reform -- As you know, the Administration won a significant legislative victory with the House approval on Thursday of the Administration's Airline Regulatory Reform bill (H.R. 12611). After the House vote (363 to 8) I held a joint press conference with Bizz Johnson, Glenn Anderson, Bill Harsha and Gene Snyder to tell the press you were pleased with the progress and hoped the bill would move quickly through conference.

You should be aware, however, that we must work hard on getting this bill out of conference. The House has passed an aviation noise reduction bill which they see as part of the airline deregulation package. In light of the fact that the Senate has not yet passed a similar noise measure, a careful strategy will have to be worked out with the Conferees, including the issue of airport grants which is part of the total noise bill.

Surface Transportation Legislation (H.R. 11733) -- On Thursday the House considered the highway/transit legislation. An Amendment offered by Congressman Giaimo to reduce the highway funding levels by \$10 billion lost on the House floor by a vote of 238 to 111. The House may complete action today. On the Senate side, a compromise has been reached to reduce the transit authorization by \$1 billion over the next four years. The bill may reach the Senate floor by Tuesday, September 26.

On Wednesday, Jim McIntyre, Bo Cutter and I met with reporters at the White House to tell them that a "splitting the difference" between the House Committee and Senate version of the highway bill was not acceptable to the Administration.

I continue to believe that your personal involvement in the Highway/Transit Conference at the appropriate time will be necessary to bring our fight to a successful conclusion. As I detailed in my September 13 memo to you which has now been reviewed by Stu Eizenstat, an Oval Office meeting with key conferees at the appropriate time could facilitate agreement on levels which are acceptable. I will continue to work with Stu on this effort.

WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
Memo	Harold Brown to Pres. Carter, w/attachments 4 pp., re:Defense Summary	9/22/78	A
Cabinet Summaries	Andrew Young to Pres. Carter, 1 pg., re:UN activities	9/15/78 9/22/78	A
Cabinet Summaries	Califano to Pres. Carter, 3 pp., re:Personnel changes	9/22/78	C

FILE LOCATION

Carter Presidential Papers-Staff Offices, Office of Staff Sec.-Presidential Handwriting File, 9/25/78 [2] Box 103

RESTRICTION CODES

- (A) Closed by Executive Order 12356 governing access to national security information.
(B) Closed by statute or by the agency which originated the document.
(C) Closed in accordance with restrictions contained in the donor's deed of gift.